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IDG Energy Investment
IDG ENERGY INVESTMENT LIMITED
IDG 能源投資有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 650)

PROFIT WARNING

This announcement is made by IDG Energy Investment Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the latest unaudited consolidated management accounts of the Company and its subsidiaries for the six months ended 30 September 2020 (the “**Reporting Period**”) and the information currently available to the Board, the Company and its subsidiaries are expected to record a loss attributable to the equity shareholders of the Company of approximately HK\$25.6 million for the Reporting Period. For the corresponding period of 2019, the Company and its subsidiaries recorded a profit attributable to the equity shareholders of the Company of approximately HK\$4.3 million.

For the year ended 31 March 2020 (“**FY2019**”), the Company and its subsidiaries recorded a loss attributable to the equity shareholders of the Company of approximately HK\$276.8 million. During the Reporting Period, there had been improvement in terms of profitability of the Company and its subsidiaries as compared with the situation in the second half of FY2019, mainly attributable to the following factors:

- (i) the decrease in the loss of fair value change of the Company’s investment in Liquefied Natural Gas Limited (the “**LNGL Investment**”) which is measured by unadjusted quoted price on stock market. The Company recognised the loss of fair value change for the LNGL Investment of approximately HK\$12.7 million during the Reporting Period as compared to the loss of fair value change of the LNGL Investment of HK\$116.6 million during FY2019.
- (ii) the gains of fair value change from the investment (the “**Stonehold Investment**”) in Stonehold Energy Corporation (“**Stonehold**”), being the return on the investment in the upstream oil and gas assets in the form of interest income and fair value gain/loss from

* For identification purposes only

the term loan granted to Stonehold. Stonehold is a company holding unconventional shale oil and gas assets in the Eagle Ford core region in the United States. The Company is expected to record a profit of approximately HK\$22.6 million from the Stonehold Investment for the Reporting Period. The profit from the fair value change of the Stonehold Investment mainly resulted from the slight rise in the short term oil price forecast at the end of the Reporting Period, as the global crude oil market was moving to a rebalance as a result of production reduction and demand recovery during the Reporting Period.

The Company is in the course of preparing its unaudited interim results for the Reporting Period. The information contained in this announcement is only a preliminary assessment by the Board based on the latest information currently available. Such information has not been audited or reviewed by the Company's auditor or its audit committee and will be subject to change and finalization. Shareholders and potential investors are advised to refer to the details in the unaudited interim results announcement of the Company to be published in late November 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
IDG Energy Investment Limited
WANG Jingbo
Chairman and Chief Executive Officer

Hong Kong, 11 November 2020

As at the date hereof, the Board comprises seven Directors, of whom two are executive Directors, namely Mr. Wang Jingbo (Chairman and Chief Executive Officer), and Mr. Liu Zhihai (President); two are non-executive Directors, namely Mr. Lin Dongliang and Mr. Shong Hugo; and three are independent non-executive Directors, namely Ms. Ge Aiji, Mr. Shi Cen, and Mr. Chau Shing Yim David.