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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 2021 (the “**Reporting Period**”) and the information currently available to the Board, the Company and its subsidiaries are expected to record a net loss attributable to the equity shareholders of the Company of approximately HK\$199.8 million for the Reporting Period. For the corresponding period of 2020, the Company and its subsidiaries recorded a loss attributable to the equity shareholders of the Company of approximately HK\$25.6 million.

The estimated net loss during the Reporting Period was mainly attributable to a net loss of fair value from various investments, which is estimated to amount to approximately HK\$257.8 million, mainly comprising the loss of fair value change from the investment in Stonehold Energy Corporation (the “**Stonehold Investment**”) amounting to approximately HK\$294.0 million. The Stonehold Investment holds certain upstream unconventional shale oil and gas assets in the Eagle Ford core region in the United States. Such loss resulted from the reduction in valuation on the Stonehold Investment, which was incurred as a result of the burgeoning global promotion of carbon neutralization as the international community acts decisively to combat climate change and limit global warming. Such acts have, directly and indirectly, promoted and induced the use of natural gas and other alternative renewable energy and consequently reduced the long-term demand for fossil fuels like crude oil and caused the expected long-term low oil price.

Losses from fair value change from investments (including, among others, the Stonehold Investment) were partly offset by gains from some other investments, which mainly include:

- (1) the gain of fair value change from the Company's investment in Jiangxi Jovo Energy Company Limited* (江西九豐能源股份有限公司) as a result of its China A-share initial public offering of approximately HK\$134 million; and
- (2) the gain of fair value change from the Company's investment in Weipin of approximately HK\$91.2 million.

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 2021.

The 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, 19 November 2021

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.

* For identification purposes only