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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)**

**UPDATE ON DEVELOPMENT OF ADVANCED MANUFACTURING —  
SEMICONDUCTOR AND SOLAR POWER BUSINESS**

This announcement is made by IDG Energy Investment Limited (the “**Company**”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Company.

Reference is made to the announcements of the Company dated 1 December 2021, 28 January 2022, 4 February 2022 and 19 April 2022 in relation to the development of a new business — advanced manufacturing business in semiconductor and solar power (the “**Announcements**”). Unless the context requires otherwise, the capitalised terms contained herein will have the same meanings as those defined in the Announcements.

**PRODUCTION LINES PUT INTO OPERATION**

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that recently, the production lines set up in the Electronic Information Industrial Park, Xuzhou High-tech Zone for the purpose of supporting the research, development and manufacturing of semiconductor and pan-semiconductor wet cleaning equipment (the “**Phase I Facility**”) were put into operation (the “**Commencement**”).

The Phase I Facility, established with the support of our German partner as well as under the German standard, boasts 4,200 m<sup>2</sup> cleanroom for solar equipment production, 1,000 m<sup>2</sup> cleanroom (class 1000) for semiconductor cleaning equipment production and 2,000 m<sup>2</sup> for warehouse & logistics, empowered by a comprehensive ERP system for production and material control, advanced manufacturing flow and quality control.

The Company considers that the Phase I Facility, together with the reserved Phase II Facility can fully support the manufacturing of the semiconductor equipment (including but not limited to backside thinning equipment, bulk cleaning equipment, solvent equipment, SPM cleaning equipment with specifications of 6 inches, 8 inches and 12 inches and PECVD equipment) and solar power equipment (including but not limited to cleaning equipment and copper plating equipment). With the capacity of the facilities, the Company wishes to obtain

\* For identification purposes only

significant market share of cleaning equipment in mainland China in the short to middle term and significant market shares of the global cleaning equipment and PECVD equipment in the next decade.

Working with Xuzhou High-tech Zone, the Company has been showered with a series of preferential rental, tax and research and development expense policies, including: (i) provision of an existing electronic plant with a total area of approximately 21,600 m<sup>2</sup> and certain rental subsidy; (ii) exemption of certain parts of the locally retained part of the corporate income tax, value-added tax and personal income tax for core employees for 3 years; (iii) preferential taxation for high-tech enterprises and semiconductor equipment enterprises; and (iv) certain subsidy for annual research and development expenses.

## **REASONS AND BENEFITS OF THE COMMENCEMENT AND OTHER BUSINESS PLANS**

As disclosed in the Announcements, the advanced manufacturing business in semiconductor and solar power equipment which focuses on technology and solutions providing high productivity to customers is a key area where the Company now puts efforts and resources. The Directors considered that the Commencement marked an important step of the development of the new business.

Going forward, the Company will continue to execute the footprint of the new business in an expeditious manner with actions including but not limited to the following:

- (a) Completing the manufacturing and delivery of the Product under the Purchase Order as well as the design and manufacturing of other products for semiconductor cleaning;
- (b) Working closely with the German partner to start the manufacturing of the cleaning equipment for solar cell under the Manufacturing and Supply Agreement to achieve the production target of two tools per week after the ramp-up period; and
- (c) Developing high-profile customers for both semiconductor cleaning equipment and solar cell cleaning equipment utilizing our current clientele as a foundation with strong financial background, independent innovation and dominating manufacturing capabilities.

## **GENERAL**

The Company will conduct the new business in compliance with the Listing Rules, and make further announcement(s) in accordance with the Listing Rules as and when appropriate.

**Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company, and in case of doubt, to seek independent advice from their own professional or financial advisers.**

By Order of the Board  
**IDG Energy Investment Limited**  
**WANG Jingbo**  
*Chairman*

Hong Kong, 30 May 2022

*As at the date hereof, the Board comprises seven Directors, of whom two are executive Directors, namely Mr. Wang Jingbo (Chairman) and Mr. Liu Zhihai; 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.*