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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 the 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 year ended 31 March 2022 (“**FY2021**”) 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\$403.8 million for FY2021 (audited net loss attributable to the equity shareholders of the Company for the financial year ended 31 March 2021: HK\$386.7 million).

The estimated net loss attributable to the equity shareholders of the Company during FY2021 was mainly attributable to a net loss of fair value from various investments, which is estimated to amount to approximately HK\$328.6 million, mainly comprising the loss of fair value change from the investment in Stonehold Energy Corporation (the “**Stonehold Investment**”) amounting to approximately HK\$362.4 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\$146.4 million; and
- (2) the gain on deemed disposal of the Company's investment in Weipin of approximately HK\$91.2 million.

The Company is in the course of preparing its audited annual results for FY2021. 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 audited final results announcement of the Company to be published on 29 June 2022.

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

Hong Kong, 17 June 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.

* *For identification purposes only*