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IDG Energy

IDG ENERGY INVESTMENT GROUP LIMITED

IDG 能源投資集團有限公司*

(formerly known as “Shun Cheong Holdings Limited 順昌集團有限公司”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

ANNOUNCEMENT

(1) TERMINATION OF THE ASSETS PURCHASE AGREEMENT IN RELATION TO THE ACQUISITION OF OIL AND GAS PRODUCING ASSETS IN THE US; AND

(2) DELAY OF DISTRIBUTION OF ESCROW FUNDS AND G&A FUNDS AND NEGOTIATION OF ALTERNATIVE TRANSACTION

References are made to the announcements of IDG Energy Investment Group Limited (the “**Company**”) dated 22 November 2016 and 28 April 2017 (the “**Announcements**”) and the circular of the Company dated 9 March 2017 (the “**Circular**”) in relation to the acquisition of certain oil and gas producing assets in the US. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

All of the Conditions to consummate the Closing set forth under the APA, other than the Condition of the obtaining of the CFIUS Approval, have been satisfied as of the End Date (i.e., 2 August 2017). Taking into account the abovementioned circumstances, on 3 August 2017 (local time in Houston, Texas), the Company, Rockgate and the Sellers entered into a letter agreement (the “**Letter Agreement**”), agreeing on the termination of the APA pursuant to the terms thereof and the delay of distribution of the Escrow Funds and the G&A Funds from upon the termination of the APA to 11 August 2017 (local time in Houston, Texas).

The Company and the Sellers are currently negotiating further arrangements with respect to the delay of distribution of the Escrow Funds and the G&A Funds in conjunction with an alternative transaction regarding assets of the Sellers (the “**Alternative Transaction**”), which, if materialised, as advised by the legal advisers advising the Company on CFIUS matters, will be a non-covered transaction for CFIUS purpose. No concrete agreement has been entered into in relation to the Alternative Transaction as at the date of this announcement and the parties aim to execute mutually agreeable definitive documentation for the Alternative Transaction on or before 10 August 2017 (local time in Houston, Texas).

* For identification purposes only

Further announcement(s) on the progress of such negotiation and/or the Alternative Transaction will be made by the Company as and when appropriate in compliance with the Listing Rules.

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

Hong Kong, 3 August 2017

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. Lee Khay Kok; two are non-executive Directors, namely Mr. Lin Dongliang and Mr. Shong Hugo; and three are independent non-executive Directors, namely Prof. Chen Zhiwu, Mr. Shi Cen, and Mr. Chau Shing Yim David.