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If you have sold or transferred all your shares in IDG Energy Investment Group Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

CONNECTED TRANSACTION
PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF
HK\$120,000,000 CONVERTIBLE BONDS DUE 2018
AND
NOTICE OF SGM

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the board of directors of the Company is set out on pages 4 to 15 of this circular. A notice convening the special general meeting (the “SGM”) of the shareholders of the Company to be held at United Conference Centre Limited — Room 4, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 1 September 2017 at 10 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to be present at the SGM, you are requested to complete the form of proxy and return it to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the SGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the SGM in person.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“1st Deed of Amendment”	the deed of amendment entered into by the Company and Tanisca on 28 March 2013 to extend the maturity date of the Convertible Bonds to 28 March 2015
“2nd Deed of Amendment”	the deed of amendment entered into by the Company and Tanisca on 3 June 2014 to extend the maturity date of the Convertible Bonds to 30 April 2018
“3rd Deed of Amendment”	the deed of amendment entered into by the Company and Titan Gas on 15 August 2017 in relation to the Proposed Amendments
“Announcement”	the announcement of the Company dated 15 August 2017 in relation to, amongst others, the Proposed Amendments
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday) on which licensed banks are open for general banking business in Hong Kong
“Company”	IDG Energy Investment Group Limited (formerly known as Shun Cheong Holdings Limited), a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the price per Conversion Share at which the Convertible Bonds may be converted into the Conversion Shares under the Terms and Conditions
“Conversion Share(s)”	the Share(s) to be issued by the Company upon conversion of the Convertible Bonds pursuant to the Terms and Conditions
“Convertible Bond(s)”	the convertible bond(s) issued by the Company under the Terms and Conditions
“Current Maturity Date”	30 April 2018
“Director(s)”	director(s) of the Company

DEFINITIONS

“Effective Date”	the effective date for the Proposed Amendments, which shall be the second day of (whichever is later) (i) Tanisca Conversion Date; or (ii) the date obtaining the Shareholders’ approval on the Proposed Amendments by the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the 3rd Deed of Amendment and the Proposed Amendments
“Independent Financial Adviser” or “VBG Capital”	VBG Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, which has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 3rd Deed of Amendment and the Proposed Amendments
“Independent Shareholders”	Shareholders other than Titan Gas and its associates (if any)
“Latest Practicable Date”	15 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Amendments”	the proposed amendments to the Subscription Agreement and the Terms and Conditions as set out in the 3rd Deed of Amendment
“S&P Agreement”	the conditional sale and purchase agreement dated 22 June 2015 (as subsequently amended) entered into among Tanisca, Titan Gas, Upsky Enterprises Limited and Mr. Mo Tianquan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)

DEFINITIONS

“SGM”	a special general meeting of the Company to be held at United Conference Centre Limited — Room 4, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 1 September 2017 at 10 a.m. for considering, if thought fit, approving the ordinary resolution in respect of the 3rd Deed of Amendment and the Proposed Amendments
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 29 October 2007 entered into between the Company and Tanisca in respect of the subscription of the Convertible Bonds, and as amended by the 1st Deed of Amendment and the 2nd Deed of Amendment
“Tanisca”	Tanisca Investments Limited, a company wholly-owned by Mr. Mo Tianquan and the subscriber of the Convertible Bonds under the Subscription Agreement
“Tanisca Conversion Date”	the date on which Tanisca exercises its conversion rights attached to all the Convertible Bonds in the principal amount of HK\$23,167,474 into Conversion Shares on or prior to the Current Maturity Date, or if Tanisca does not exercise its conversion rights, the Current Maturity Date on which all its outstanding Convertible Bonds will be converted into the Shares under the Terms and Conditions
“Terms and Conditions”	terms and conditions of the Convertible Bonds (as amended from time to time)
“Titan Gas”	Titan Gas Technology Investment Limited, a company incorporated in the British Virgin Islands with limited liability, which owns 51.32% of the issued share capital of the Company as at the Latest Practicable Date
“%”	per cent

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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)

Executive Directors:

Wang Jingbo (*Chairman and Chief Executive Officer*)
Lee Khay Kok

Non-executive Directors:

Lin Dongliang
Shong Hugo

Independent Non-executive Directors:

Chen Zhiwu
Shi Cen
Chau Shing Yim David

Principal Place of Business

in Hong Kong:
Suite 2302
Wing On Centre
111 Connaught Road Central
Hong Kong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

16 August 2017

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION
PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF
HK\$120,000,000 CONVERTIBLE BONDS DUE 2018

1. INTRODUCTION

References are made to (i) the announcement dated 31 October 2007 and the circular dated 21 November 2007 of the Company in relation to the issue of the Convertible Bonds; (ii) the announcement dated 28 March 2013 and the circular dated 29 April 2013 of the Company in relation to the extension of the maturity date; (iii) the announcement dated 3 June 2014 and the circular dated 13 June 2014 of the Company in relation to the further extension of the maturity date; (iv) the announcement dated 28 October 2015 and the circular dated 29 June 2016 of the Company in relation to the transfer of part of the Convertible Bonds from Tanisca to Titan Gas; and (v) the Announcement.

On 29 October 2007, the Company and Tanisca entered into the Subscription Agreement, pursuant to which the Company agreed to issue to Tanisca, and Tanisca agreed to subscribe for the Convertible Bonds in the principal amount of HK\$120,000,000 to be issued by the Company. The Convertible Bonds were issued on 28 March 2008. The Convertible Bonds bear

* *For identification purposes only*

LETTER FROM THE BOARD

1% interest per annum and are convertible into Shares. All outstanding Convertible Bonds would mature on 28 March 2013 pursuant to the then terms and conditions of the Convertible Bonds.

On 28 March 2013, the Company and Tanisca entered into the 1st Deed of Amendment for the extension of the maturity date, pursuant to which the maturity date of the Convertible Bonds shall be a date falling on 28 March 2015. Apart from the extension, all terms of the Convertible Bonds remained unchanged from the original terms.

On 3 June 2014, the Company and Tanisca entered into the 2nd Deed of Amendment for further extension of the maturity date, pursuant to which the maturity date of the Convertible Bonds shall be a date falling on 30 April 2018. Apart from the extension, all terms of the Convertible Bonds remained unchanged from the original terms.

On 22 June 2015, Tanisca, Titan Gas, Upsky Enterprises Limited and Mr. Mo Tianquan entered into the S&P Agreement, pursuant to which, among other things, Tanisca agreed to sell to Titan Gas, and Titan Gas agreed to purchase the Convertible Bonds in the principal amount of HK\$96,832,526.

As at the Latest Practicable Date, Titan Gas holds the Convertible Bonds with an aggregate principal amount of HK\$96,832,526, and Tanisca holds the Convertible Bonds with an aggregate principal amount of HK\$23,167,474. For the reasons as stated in the paragraph headed "Reasons for the Proposed Amendments" below in this letter, the Company proposed the extension of the maturity date and the other proposed amendments to the holders of the Convertible Bonds, which are subject to agreement from the existing bondholders of the Convertible Bonds (i.e. Tanisca and Titan Gas). However, the Company has been informed by Tanisca that Tanisca does not wish to further extend the Convertible Bonds held by it in the principal amount of HK\$23,167,474 as Tanisca may consider exercising the conversion rights attached to all the Convertible Bonds held by it into Conversion Shares before the Current Maturity Date and thus does not agree to the Proposed Amendments. Meanwhile, Titan Gas has no present intention to convert or transfer any of the Convertible Bonds held by it, and has agreed with the Proposed Amendments. Given the aforementioned situation, a bondholder meeting to approve the Proposed Amendments is not a viable option as the quorum requiring at least 2 bondholders may not be formed. Accordingly, the Company agreed to enter into the 3rd Deed of Amendment only with Titan Gas allowing the Proposed Amendments expediently becoming effective as soon as Tanisca exercises its conversion rights attached to the Convertible Bonds held by it. Although the Company may alternatively choose to later enter into a deed of amendment with Titan Gas after Tanisca exercises its conversion rights in full, the Company considers additional time and cost will be incurred to obtain the independent shareholders' approval in that case. After taking the above into account, the Company decided to make the Proposed Amendments with Titan Gas only (as the sole bondholder on the Effective Date) with effect on the Effective Date, which is not in breach of the current Terms and Conditions and is in the interests of the Shareholders and the Company as a whole.

On 15 August 2017, the Company and Titan Gas entered into the 3rd Deed of Amendment to further extend the maturity date of the Convertible Bonds, to add restriction on the exercise of conversion rights to ensure the compliance with the public float requirement of the Listing Rules, and to remove certain adjustment events to the Conversion Price, which will become effective on the Effective Date. The 3rd Deed of Amendment and the Proposed Amendments are subject to the Independent Shareholders' approval under the Listing Rules.

LETTER FROM THE BOARD

As disclosed in the circular of the Company dated 13 June 2014 in relation to 2nd Deed of Amendment, the then Directors intended to partially redeem and leave the unredeemed portion of the Convertible Bonds converted into Shares upon maturity so as to allow the Company to meet the minimum public floating requirement of the Listing Rules upon conversion. During 2015 and 2016, the Company underwent a reverse takeover and the Board has been changed in August 2016 following the completion of the reverse takeover. The current Board considered that the Group should utilise its available cash resources for its business development and expansion plans on a priority basis after due consideration. As such, the Company has not redeemed any Convertible Bonds. As at the Latest Practicable Date, none of the Convertible Bonds is converted, purchased or redeemed, and the principal amount of the outstanding Convertible Bonds is HK\$120,000,000.

The current Conversion Price is HK\$0.0672 per Conversion Share, which has been adjusted in accordance with the Terms and Conditions.

The purpose of this circular is to provide you with, among other things, (i) information in relation to the Convertible Bonds, the Proposed Amendments and the 3rd Deed of Amendment; (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from VBG Capital to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the SGM to consider and, if thought fit, to approve the resolution in relation to the Proposed Amendments and the 3rd Deed of Amendment.

2. 3RD DEED OF AMENDMENT

On 15 August 2017, the Company and Titan Gas, as the sole bondholder of the Convertible Bonds on the Effective Date, entered into the 3rd Deed of Amendment to further extend the maturity date of the Convertible Bonds, to add restriction on the exercise of conversion rights to ensure the compliance with the public float requirement of the Listing Rules, and to remove certain adjustment events to the Conversion Price, which will become effective on the Effective Date.

Pursuant to the 3rd Deed of Amendment, on the Effective Date, (i) the maturity date of the Convertible Bonds will be extended to a date falling on 30 April 2022 and the expiry date of the conversion period will accordingly be extended to a date falling on 30 April 2022; (ii) the holder(s) of the Convertible Bonds shall not exercise the conversion rights if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules; and (iii) certain anti-dilutive adjustment events to the Conversion Price in relation to the issue of new shares and other securities (the “**Anti-dilutive Adjustment Events**”) will be removed, and the Conversion Price will only be subject to adjustment for consolidation or sub-division of Shares, capitalisation of profits or reserves and capital distribution to Shareholders.

LETTER FROM THE BOARD

Below is the comparison of major differences between the original terms of the Convertible Bonds and the Proposed Amendments:

	Summary of the original terms of the Convertible Bonds	the Proposed Amendments
Maturity	The date falling on the maturity date of the Bond on 28 March 2015 shall be extended to 30 April 2018 upon expiry of the same. Unless previously redeemed, purchased and cancelled or converted, all of outstanding Bond will be converted into ordinary shares of the Company on the extended maturity date.	The date falling on the maturity date of the Bond on 30 April 2018 shall be extended to 30 April 2022 upon expiry of the same. Unless previously redeemed, purchased and cancelled or converted, all of outstanding Bond will be converted into ordinary shares of the Company on the extended maturity date.
Public Float Requirement		The conversion rights attaching to the Convertible Bonds shall not be exercised by the holder of the Convertible Bonds and the Company will not issue the Conversion Shares if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules.
Adjustments	<p>(a) consolidation or sub-division of the Shares;</p> <p>(b) capitalisation of profits or reserves;</p> <p>(c) capital distribution to the Shareholders;</p> <p>(d) offer to Shareholders new Shares for subscription by way of rights or grant to Shareholders options or warrants to subscribe for new Shares, at a price which is less than 90 per cent of the market price as at the date of the announcement of the terms of the issue or grant;</p>	<p>(a) consolidation or sub-division of the Shares;</p> <p>(b) capitalisation of profits or reserves; and</p> <p>(c) capital distribution to the Shareholders.</p>

LETTER FROM THE BOARD

Summary of the original terms of the Convertible Bonds the Proposed Amendments

- (e) issue wholly for cash of any securities, which are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total consideration initially receivable per Share is less than 90 per cent of the market price as at the date of the announcement of the terms of issue of such securities, or the modification which results that total consideration is less than 90 per cent of the market price as at the date of the proposal to modify such rights;
- (f) issue wholly for cash of any Shares at a price per Share which is less than 90 per cent of the market price as at the date of the announcement of the terms of such issue; and
- (g) issue of Shares for the acquisition of asset at an aggregate consideration per Share is less than 90 per cent of the market price as at the date of the announcement of the terms of such issue.

The 3rd Deed of Amendment will only become effective on the Effective Date subject to the fulfilment of all the following conditions:

- (a) the Company having convened a special general meeting at which a resolution shall have been duly passed by the Independent Shareholders to approve and ratify the 3rd Deed of Amendment and the Proposed Amendments;
- (b) the Stock Exchange having granted the approval for the Proposed Amendments; and
- (c) all necessary consents and approvals required to be obtained on the part of the Company in respect of the 3rd Deed of Amendment and the Proposed Amendments having been obtained.

LETTER FROM THE BOARD

Save for the Proposed Amendments, all other major Terms and Conditions shall remain in full force.

Prior to the Effective Date, the Convertible Bonds are held by Titan Gas and Tanisca (where applicable), and are subject to the current Terms and Conditions. After the Effective Date, the Convertible Bonds will be solely held by Titan Gas, and will be subject to the revised Terms and Conditions (as amended by the Proposed Amendments).

The current Conversion Price is HK\$0.0672 per Conversion Share, which is subject to adjustment events under the current Terms and Conditions (including the Anti-dilutive Adjustment Events) before the Effective Date. In the event that the current Conversion Price is adjusted pursuant to the current Terms and Conditions before the Effective Date, the Company will re-comply with the relevant applicable requirements under the Listing Rules for the Proposed Amendments, including the independent shareholders' approval (if applicable).

As Titan Gas will be the sole bondholder after the Effective Date, amending the Terms and Conditions through signing the 3rd Deed of Amendment between the Company (as the issuer) and Titan Gas (as the sole bondholder on the Effective Date) with effect on the Effective Date is not in breach of the current Terms and Conditions.

3. TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds after the Effective Date are as follows:

Principal amount:	HK\$96,832,526
Maturity:	Unless previously redeemed, purchased and cancelled or converted, all of the outstanding Convertible Bonds will be converted into ordinary shares of the Company on 30 April 2022.
Redemption:	Upon written confirmation having been obtained from the holder(s) of the Convertible Bonds, the Company has the option to redeem the Convertible Bonds. Otherwise, the Company is not entitled to redeem the Convertible Bonds.
Interest:	The Convertible Bonds will bear interest at the rate of 1% per annum, payable semi-annually in arrear.
Conversion rights:	The holder(s) of the Convertible Bonds will have the right at any time commencing on the Business Day after the date of issuance of the Convertible Bonds but before 30 April 2022, to convert the whole or part of the principal amount of the Convertible Bonds into the Shares, provided that the principal amount to be converted shall be at least HK\$1,000,000, and in integral multiples of HK\$1,000,000 on each such conversion, save that if at any time the outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of such outstanding principal amount of the Convertible Bonds may be converted.

LETTER FROM THE BOARD

Public Float Requirement:	The conversion rights attaching to the Convertible Bonds shall not be exercised by the holder of the Convertible Bonds and the Company will not issue the Conversion Shares if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules.
Conversion Price:	The current Conversion Price is HK\$0.0672 per Conversion Share (as adjusted before and as may be further adjusted before the Effective Date), subject to adjustment for consolidation or sub-division of Shares, capitalisation of profits or reserves and capital distribution to Shareholders.
Conversion Shares:	The Conversion Shares will rank <i>pari passu</i> in all respects with the existing Shares in issue.
Transferability:	The Convertible Bonds may be assigned or transferred to any party. The Company will undertake to the Stock Exchange that it will disclose to the Stock Exchange any dealings by any of the connected persons from time to time in the Convertible Bonds immediately upon the Company becoming aware of such dealings.
Voting right:	Holder(s) of the Convertible Bonds (or any part thereof) will not be entitled to attend or vote at any Shareholders' and/or warrant holders' meetings of the Company by reason only of it being a holder of the Convertible Bonds (or any part thereof).
Listing and trading:	No application will be made for the listing of the Convertible Bonds and permission to deal in the Convertible Bonds on the Stock Exchange or any other stock exchange.
Undertaking:	So long as the Convertible Bonds are outstanding, the Company will comply with and procure the compliance of all conditions imposed by the Stock Exchange or by any other competent authority (in Hong Kong or elsewhere) for approval of the issue of the Convertible Bonds or for the listing of and permission to deal in the Conversion Shares and to ensure the continued compliance thereof.

LETTER FROM THE BOARD

4. REASONS FOR THE PROPOSED AMENDMENTS

(1) Extension of the maturity date

Pursuant to the current Terms and Conditions, the Convertible Bonds will mature on 30 April 2018 unless further extended. Unless previously redeemed, purchased and cancelled or converted, all of the outstanding Convertible Bonds will be converted into Shares on 30 April 2018.

As at the Latest Practicable Date, Titan Gas held 829,641,578 Shares, or 51.32% of the issued share capital of the Company. In the event that all the outstanding Convertible Bonds are converted into Shares, 1,440,960,208 new Shares will be issued to Titan Gas and 344,754,077 new Shares will be issued to Tanisca. The following table illustrates the Company's existing shareholding structure and the respective shareholding structure upon full conversion of the Convertible Bonds by Tanisca and Titan Gas assuming there is no other change in the share capital of the Company and the Convertible Bonds:

Name of Shareholder	As at the Latest Practicable Date		Immediately upon full conversion of the Convertible Bonds by Tanisca at conversion price of HK\$0.0672		Immediately upon full conversion of the Convertible Bonds by Tanisca and Titan Gas at conversion price of HK\$0.0672	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Titan Gas	829,641,578	51.32	829,641,578	42.30	2,270,601,786	66.73
Tanisca (Note 1)	—	—	344,754,077	17.58	344,754,077	10.13
			34,753,409	1.77	34,753,409	1.02
Lin Dongliang (Note 2)	12,910,000	0.80	12,910,000	0.66	12,910,000	0.38
Sub-total	842,551,578	52.11	1,222,059,064	62.30	2,663,019,272	78.27
Public	<u>774,188,997</u>	<u>47.89</u>	<u>739,435,588</u>	<u>37.70</u>	<u>739,435,588</u>	<u>21.73</u>
Total	<u><u>1,616,740,575</u></u>	<u><u>100.00</u></u>	<u><u>1,961,494,652</u></u>	<u><u>100.00</u></u>	<u><u>3,402,454,860</u></u>	<u><u>100.00</u></u>

Notes:

- As at the Latest Practicable Date, Upsky Enterprises Limited held 34,753,409 Shares, representing approximately 2.15% of the issued share capital and forming part of the public shareholding. Both Tanisca and Upsky Enterprises Limited are companies wholly-owned by the same individual. The aggregate shareholding of Tanisca and Upsky Enterprises Limited will exceed 10% upon full conversion of the Convertible Bonds, and thus the Shares held by Tanisca and Upsky Enterprises Limited upon full conversion of the Convertible Bonds shall not be counted for public Shares.
- As at the Latest Practicable Date, Mr. Lin Dongliang, a non-executive Director, beneficially held 12,910,000 Shares, which shall not be counted for public Shares.

LETTER FROM THE BOARD

In the event that Titan Gas exercises the conversion rights attaching to its Convertible Bonds in full after Tanisca Conversion Date, the Company would be in breach of the public float requirement under the Listing Rules, which normally requires that at least 25% of the Company's share capital must at all times be held by the public. Full conversion of the Convertible Bonds by Titan Gas will not be allowed in the event that it will lead to a breach of the public float requirement under the Listing Rules. If Titan Gas is to convert the Convertible Bonds in full, it would have to sell a material amount of Shares on the market. The Company considers that this may not be in the best interests of the Company and the Shareholders as this may potentially create substantial downward pressure of the market price of the Shares given the recent price performance and trading liquidity.

Furthermore, full redemption of the Convertible Bonds will reduce the available cash resources of the Group, which may impose negative impact on the Group's liquidity and negatively affect the Group's further business development and expansion plans, including the exploration and development of its existing oil project in China, and potential acquisitions of and investments in other oil and gas or energy related projects.

In November 2016, the Group entered into a sale and purchase agreement in relation to the acquisition of certain oil and gas producing assets in South Texas of the United States of America (the "**US Investment**") at the cash consideration of US\$278 million (equivalent to approximately HK\$2,156 million), subject to adjustments as set out in the agreement. Whilst on 3 August 2017, the Group terminated the US Investment, it had been actively negotiating with the sellers in relation to a transaction under an alternative structure regarding the assets of the sellers. On 14 August 2017, the Group entered into a credit agreement with an experienced investor, which entered into an acquisition agreement with one of the sellers on the even date in relation to the acquisition of part of the assets originally to be purchased by the Group under the US Investment (the "**Alternative Acquisition**"). The Group agreed to grant a term loan to the investor under the credit agreement (the "**Term Loan**") for the purpose of financing the Alternative Acquisition and the subsequent operations of such assets by the investor. Please refer to the announcements of the Company dated 3 and 15 August 2017 for details. It is expected that the available cash resources of the Group will be utilised for the Term Loan, if materialised, and/or other potential oil and gas or energy related projects as elaborated above.

The proposed extension preserves the cash resources of the Group by allowing the Group to refinance the debts under the Convertible Bonds under the same terms (other than the removal of the Anti-dilutive Adjustment Events) for a further 48 months. The interest rate of the Convertible Bonds (i.e. 1% per annum) is lower than the general cost of borrowing of the Group and there is no need for any guarantee or security. As such, the proposed extension will provide the Group with flexibility in deploying its cash resources in a less costly manner.

In view of the above factors, the Company and Titan Gas entered into the 3rd Deed of Amendment to further extend the maturity date of the Convertible Bonds.

LETTER FROM THE BOARD

(2) Restrictions on the exercise of the conversion rights

Considering the possible transfer of the Convertible Bonds in the future, the Company proposes that any exercise of the conversion rights attaching to the Convertible Bonds by the bondholders shall be subject to the public float requirement of the Listing Rules.

The Directors are of the view that the restrictions on the exercise of the conversion rights will put the Company in a better position to comply with the public float requirement of the Listing Rules.

(3) Removal of certain adjustment events

The Company also proposes to remove the Anti-dilutive Adjustment Events in order to protect the interests of the minority Shareholders.

The Anti-dilutive Adjustment Events are customary and common to many convertible bonds and notes. The proposed removal of the Anti-dilutive Adjustment Events reduces the possibility of an increase in the number of Conversion Shares which will be held by the holders of the Convertible Bonds. It represents a restriction on the holders of the Convertible Bonds by minimizing the likelihood for them to convert the Convertible Bonds into additional Shares, and a protection to the interests of the minority Shareholders from potential additional dilution as a result of any future equity fund raising during the term of the Convertible Bonds. This also gives the Company a better position in determining and negotiating the structure and terms (in particular pricing) of any potential future equity fund raising activity. For the avoidance of doubt, as at the Latest Practicable Date, no concrete plan for equity fund raising activity has been formed by the Company.

The Directors are of the view that the proposed removal of the Anti-dilutive Adjustment Events represents a waiver of rights by Titan Gas, and will not pose any significant adverse impact on the operations of the Group or the rights of the minority Shareholders.

5. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Titan Gas is the controlling Shareholder, and is a connected person of the Company under the Listing Rules. As such, the Proposed Amendments contemplated under the 3rd Deed of Amendment between the Company and Titan Gas constitute connected transactions of the Company, which are subject to the reporting, announcement and the Independent Shareholders' approval under Chapter 14A of the Listing Rules.

Given that Mr. Wang Jingbo is considered to have material interests in the 3rd Deed of Amendment, he has abstained from voting in respect of the relevant Board resolutions. Save as stated above, none of other Directors has a material interest in the 3rd Deed of Amendment nor has any of them abstained from voting in respect of the relevant Board resolutions.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Titan Gas can exercise the voting power in respect of 829,641,578 Shares at the SGM, representing a 51.32% equity interest in the Company. In view of its interests in the 3rd Deed of Amendment and the Proposed Amendments, Titan Gas will abstain from voting in respect of the resolution approving the 3rd Deed of Amendment and the Proposed Amendments at the SGM.

6. GENERAL

The principal activity of the Company is investment holding. The principal activities of the Group consist of upstream crude oil exploration, development and production.

Titan Gas is an investment holding company.

7. SGM AND PROXY ARRANGEMENT

The notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular. At the SGM, a resolution will be proposed to approve the 3rd Deed of Amendment and the Proposed Amendments. Titan Gas has material interests in the transactions, and will abstain from voting at the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM should you so wish.

Pursuant to Bye-law 66 of the bye-laws of the Company, a resolution put to the vote of a meeting shall be decided by way of a poll. Accordingly, the resolution put forward to the SGM will be voted by way of poll.

8. RECOMMENDATION

The Directors (including three independent non-executive Directors, whose views are set out in the section headed "Letter from the Independent Board Committee" in this circular) consider that the terms of the 3rd Deed of Amendment and the Proposed Amendments are fair and reasonable and in the interests of the Shareholders and the Company as a whole. The Directors recommend that all the Independent Shareholders vote in favor of the proposed ordinary resolution set out in the notice of the SGM to approve and/or ratify the 3rd Deed of Amendment and the Proposed Amendments.

LETTER FROM THE BOARD

9. ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on pages 16 to 17 of this circular which contains recommendations of the Independent Board Committee to the Independent Shareholders regarding the resolution to approve the transaction; and (ii) the letter from VBG Capital set out on pages 18 to 35 of this circular which contains its recommendations to the Independent Board Committee and the Independent Shareholders in respect of the transactions and the principal factors and reasons considered by VBG Capital in arriving at its recommendations.

Yours faithfully,
By Order of the Board
WANG Jingbo
Chairman and Chief Executive Officer

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)

16 August 2017

To the Independent Shareholders

Dear Sir or Madam,

INTRODUCTION

We refer to the circular of the Company of even date (the “**Circular**”), of which this letter forms part. Unless specified otherwise, capitalized terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise you on the terms of the 3rd Deed of Amendment and the Proposed Amendments. VBG Capital has been appointed as the independent financial adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 18 to 35 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

RECOMMENDATION

Having considered the terms of the 3rd Deed of Amendment, the Proposed Amendments and taking into account the independent advice of VBG Capital and the relevant information contained in the letter from the Board, we are of the opinion that the 3rd Deed of Amendment and the Proposed Amendments are not in the ordinary and usual course of business of the Company but are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

* For identification purposes only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that you vote in favor of the ordinary resolution to be proposed at the SGM to approve and/or ratify the 3rd Deed of Amendment and the Proposed Amendments.

Yours faithfully,
Independent Board Committee

CHEN Zhiwu <i>Independent Non-executive Director</i>	SHI Cen <i>Independent Non-executive Director</i>	CHAU Shing Yim David <i>Independent Non-executive Director</i>
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LETTER FROM VBG CAPITAL

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 3rd Deed of Amendment for the purpose of inclusion in this circular.



建泉融資有限公司
VBG Capital Limited

18/F., Prosperity Tower
39 Queen's Road Central
Hong Kong

16 August 2017

*To: The independent board committee and the independent shareholders
of IDG Energy Investment Group Limited*

Dear Sirs,

CONNECTED TRANSACTION PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the 3rd Deed of Amendment, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 16 August 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

On 15 August 2017, the Company (as issuer) and Titan Gas (as the sole holder of the Convertible Bonds on the Effective Date) entered into the 3rd Deed of Amendment to further extend the Current Maturity Date of the Convertible Bonds, to add restriction on the exercise of conversion rights to ensure the compliance with the public float requirements of the Listing Rules, and to remove certain anti-dilutive adjustment events to the Conversion Price under the Terms and Conditions, which will become effective on the Effective Date.

As referred to in the Letter from the Board, Titan Gas is a controlling shareholder (as defined in the Listing Rules) and hence a connected person of the Company. Therefore, the transactions contemplated under the 3rd Deed of Amendment constitute connected transactions for the Company, and are subject to the reporting, announcement and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Professor Chen Zhiwu, Mr. Shi Cen and Mr. Chau Shing Yim David (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the 3rd Deed of Amendment is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Proposed Amendments are in the interests of the

LETTER FROM VBG CAPITAL

Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the 3rd Deed of Amendment at the SGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to make recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR OPINION

In formulating our opinion with regard to the 3rd Deed of Amendment, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the SGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Group, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group, Tanisca, Titan Gas or their respective subsidiaries or associates (as defined in the Listing Rules), nor have we considered the taxation implication on the Group or the Shareholders as a result of the 3rd Deed of Amendment. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM VBG CAPITAL

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of such information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the 3rd Deed of Amendment, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Proposed Amendments

Business review of the Group

In July 2016, the Group acquired the entire equity interest in a company which engages in the exploration, development, production and sale of crude oil in Inner Mongolia of the PRC (the “**PRC Acquisition**”) at the cash consideration of RMB558,880,000 (equivalent to approximately HK\$665 million). At the same time, the Group disposed all of its hotel and restaurant assets and operations at the consideration of HK\$1.

Following completion of the aforesaid transactions on 29 July 2016, the Group has ceased its hotel and restaurant operations and has become principally engaged in the exploration, development, production and sale of crude oil. As advised by the Directors, the Company considers that this represents an important milestone given the market opportunity in upstream oil and gas investments which opened up due to the cyclical trough of international oil and gas prices and the long term prospects of the oil and gas industry.

The Group has formulated a plan with a view to moving the development of its oil fields in the PRC to commercial production. The Group has been carrying out further exploration and development work at its oil fields in order to migrate resources into reserves and identify new reserves. Those exploration and development work requires substantial amount of capital investment. The Group currently contemplates capital expenditures of approximately HK\$800 million up to 2019 for the development of its oil fields in the PRC. According to the annual report of the Company for the financial year ended 31 March 2017 (the “**2016/17 Annual Report**”), the total exploration and development expenditure incurred by the Group in the 2016/17 financial year reached approximately HK\$40 million. The Group’s efforts began to take effects during the same said financial year given its achievement of a major breakthrough on a newly drilled well, which is one of the highest daily production wells at its oil fields. We understand from the Company that more development work is planned to be carried out in the financial year ended 31 March 2018 and onwards. As represented by the Directors, the Group will adopt a stable output strategy going forward and is prepared to invest a large amount of capital expenditure for further drilling and fracturing plan, based on the international oil demand.

LETTER FROM VBG CAPITAL

In line with the Group's strategy to widen its global footprint and develop a more diversified and balanced oil and gas business portfolio, in November 2016, the Group further entered into a sale and purchase agreement in relation to the acquisition of certain oil and gas assets in South Texas of the United States of America at the cash consideration of US\$278 million (equivalent to approximately HK\$2,156 million) (the "**US Investment**"). Whilst this proposed investment was terminated on 3 August 2017, the Group has been actively negotiating with the sellers in relation to a transaction under an alternative structure regarding the same assets of the sellers. On 14 August 2017, the Group entered into a credit agreement with an experienced investor, which entered into an acquisition agreement with one of the sellers on even date in relation to the acquisition of part of the assets originally to be purchased by the Group under the US Investment (the "**Alternative Acquisition**"). The Group agreed to grant a term loan to the investor under the credit agreement (the "**Term Loan**") for the purpose of financing the Alternative Acquisition and the subsequent operations of such assets by the investor. Details of the Alternative Acquisition and the Term Loan are included in the announcements of the Company dated 3 August 2017 and 15 August 2017.

As natural gas is another core target investment area of the Company besides crude oil, the Group entered into a subscription agreement on 14 July 2017 to subscribe for certain new shares of a company which engages in clean energy businesses, including importing, processing and sale of the industrial products of Liquefied Petroleum Gas and Liquefied Natural Gas in the PRC (the "**July Investment**"). The consideration for the July Investment is RMB100 million (equivalent to approximately HK\$115.2 million) and has been settled entirely by cash. Completion of the July Investment took place on 28 July 2017.

The Board is of the view that the investment and management of oil and gas assets is a favourable option for the Group to attain sustainable long-term growth and prosperity in the cyclic oil and gas industry. The Board expects that the Group can continue to capture investment opportunities globally by best leveraging its industry and business development expertise, establishing an investment platform, and adopting contrarian investment strategy. The Board also believes that the Group is well positioned to develop quickly when attractive assets become available, and outperform the crude oil benchmarks.

Past fund raising activities conducted by and future funding needs of the Group

The Directors confirmed that save for (i) the subscription of certain ordinary shares and preferred shares of the Company by Titan Gas and other subscribers (the "**Subscription**"); and (ii) the subscription of the Convertible Note of the Company by an Independent Third Party (the "**CN Subscription**"), which were both completed on 29 July 2016, the Company has not conducted any equity fund raising activities in the past two years from the Latest Practicable Date.

LETTER FROM VBG CAPITAL

The aggregate net proceeds from the Subscription and the CN Subscription amounted to approximately HK\$2,874 million. The Group has applied part of them to pay for the total cash consideration for the PRC Acquisition and the July Investment. We noted from the 2016/17 Annual Report that approximately HK\$1,113 million of such proceeds were received but not yet utilised as at 31 March 2017. The remaining proceeds have been/will be used mainly for the Group's business plans and objectives including (a) financing the development plan and operation expense of the Group's PRC oil fields; (b) provision of the Term Loan; (c) acquisition of and investment in other oil and gas or other energy related companies; and (d) further exploration, development and production of other newly acquired oil and gas projects. Shareholders may refer to the 2016/17 Annual Report for detailed breakdown of the intended and actual use of proceeds from the Subscription and the CN Subscription.

The Group's liquidity and financial resources

The table below summarises the Group's liquidity and financial resources as at 31 March 2017 as extracted from the Company's audited financial statements for the financial year ended 31 March 2017 set out in the 2016/17 Annual Report:

	As at 31 March 2017 <i>HK\$'000</i>
Current assets	
— Cash and cash equivalents	1,134,521
Current liabilities	
— Bank and other borrowings	101,375
Non-current liabilities	
— Convertible Note	222,615
— Convertible Bonds	116,541
Gearing ratio (ratio of the sum of total bank and other borrowings, Convertible Bonds and Convertible Note to total assets)	15.5%

Cash and cash equivalents

As at 31 March 2017, the Group had unpledged cash and bank deposits of approximately HK\$1,134.5 million, out of which approximately HK\$1,113 million represented the aggregate amount of the unutilised proceeds from the Subscription and the CN Subscription with specific identified usages in short to medium run.

LETTER FROM VBG CAPITAL

Bank and other borrowings

As at 31 March 2017, the Group had outstanding third party unsecured entrusted loans of approximately HK\$101.4 million. According to the 2016/17 Annual Report, these short term loans carried fixed interest rates ranging from 4.35% to 4.8%.

The Convertible Note

As at 31 March 2017, the Group had the Convertible Note with a carrying amount of approximately HK\$222.6 million. The outstanding principal amount of the Convertible Note is HK\$250,000,000 and the Convertible Note was issued by the Company under the CN Subscription. At the current conversion price of HK\$0.6696 per conversion share, the Convertible Note is convertible into 373,357,228 new Shares upon full conversion. The Convertible Note is interest free and will mature on 29 July 2019.

The Convertible Bonds

As at 31 March 2017, the Group had the Convertible Bonds with an aggregate carrying amount of approximately HK\$116.5 million. Further information regarding the Convertible Bonds is being highlighted in the following sub-section.

Background and key terms of the Convertible Bonds

On 29 October 2007, the Company and Tanisca entered into the Subscription Agreement, pursuant to which the Company agreed to issue to Tanisca, and Tanisca agreed to subscribe for the Convertible Bonds in the principal amount of HK\$120,000,000. The Convertible Bonds were issued on 28 March 2008. The Convertible Bonds bear 1% interest per annum and are convertible into Shares. All outstanding Convertible Bonds would mature on 28 March 2013 pursuant to the then terms and conditions of the Convertible Bonds. The issue of the Convertible Bonds was approved by the then independent Shareholders at a special general meeting of the Company convened on 7 December 2007.

Subsequently on 28 March 2013, the Company and Tanisca entered into the 1st Deed of Amendment for extension of the maturity date, pursuant to which the maturity date of the Convertible Bonds shall be a date falling on 28 March 2015. Thereafter on 3 June 2014, the Company and Tanisca entered into the 2nd Deed of Amendment for further extension of the maturity date, pursuant to which the maturity date of the Convertible Bonds shall be a date falling on 30 April 2018. Apart from the extensions, all terms of the Convertible Bonds remained unchanged from the original terms.

As disclosed in the circular of the Company dated 13 June 2014 in relation to 2nd Deed of Amendment, the then Directors intended to partially redeem and leave the unredeemed portion of the Convertible Bonds converted into Shares upon maturity so as to allow the Company to meet the minimum public float requirements

LETTER FROM VBG CAPITAL

of the Listing Rules upon conversion. During 2015 and 2016, the Company underwent a reverse takeover and the Board has been changed in August 2016 following the completion of the reverse takeover. The current Board considered that the Group should utilise its available cash resources for its business development and expansion plans on a priority basis after due consideration. As such, the Company has not redeemed any Convertible Bonds.

On 22 June 2015, Tanisca, Titan Gas and other relevant parties entered into the S&P Agreement, pursuant to which, among other things, Tanisca agreed to sell to Titan Gas, and Titan Gas agreed to purchase the Convertible Bonds in the principal amount of HK\$96,832,526.

As at the Latest Practicable Date, none of the Convertible Bonds had been purchased, cancelled, converted or redeemed. Titan Gas and Tanisca remained the only two holders of the Convertible Bonds and held Convertible Bonds with principal amounts of HK\$96,832,526 and HK\$23,167,474 respectively. Based on the current Conversion Price of HK\$0.0672 per Conversion Share (which has been adjusted in accordance with the Terms and Conditions), the outstanding Convertible Bonds in the aggregate principal amount of HK\$120,000,000 are convertible into 1,785,714,285 Conversion Shares upon full conversion. For the reasons as stated in the section headed “Reasons for the Proposed Amendments” in the Letter from the Board, the Company proposed the extension of the Current Maturity Date and the other proposed amendments to holders of the Convertible Bonds, which are subject to agreement from the existing holders of the Convertible Bonds (i.e. Tanisca and Titan Gas). The Company has been informed by Tanisca that Tanisca does not wish to further extend the Convertible Bonds held by it in the principal amount of HK\$23,167,474 as Tanisca may consider exercising the conversion rights attaching to all its Convertible Bonds into Conversion Shares before the Current Maturity Date and thus does not agree to the Proposed Amendments. After the Tanisca Conversion Date, assuming that there is no other change in the Convertible Bonds, Titan Gas will be the sole bondholder under the Terms and Conditions, holding the Convertible Bonds with principal amount of HK\$96,832,526. The Company understands that Titan Gas has no present intention to convert or transfer any of the Convertible Bonds held by it, and has agreed to the Proposed Amendments. Given the aforementioned situation, a bondholder meeting to approve the Proposed Amendments is not a viable option as the quorum requiring at least two bondholders may not be formed. Accordingly, the Company agreed to enter into the 3rd Deed of Amendment only with Titan Gas allowing the Proposed Amendments expediently becoming effective as soon as Tanisca exercises the conversion rights attaching to the Convertible Bonds held by it. Although the Company may alternatively choose to later enter into a deed of amendment with Titan Gas after Tanisca exercises its conversion rights in full, the Company considers additional time and cost will be incurred to obtain the independent Shareholders’ approval in that case. After taking the above into account, the Company decided to make the Proposed Amendments with Titan Gas only (as the sole bondholder on the Effective Date) with effect on the Effective Date, which is not in breach of the current Terms and Conditions and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM VBG CAPITAL

Reasons for the Proposed Amendments

The Proposed Amendments include the extension of the Current Maturity Date of the Convertible Bonds (the “**Extension**”), adding restriction on the exercise of conversion rights as well as the removal of certain anti-dilutive adjustment events to the Conversion Price in relation to the issue of new Shares and other securities (the “**Anti-dilutive Adjustment Events**”). Set forth below are the reasons for the Proposed Amendments as extracted from the Letter from the Board:

The Extension

Pursuant to the Terms and Conditions, the Convertible Bonds would mature on 30 April 2018 unless further extended. Unless previously redeemed, purchased and cancelled or converted, all the outstanding Convertible Bonds will be converted into Shares on 30 April 2018.

As at the Latest Practicable Date, Titan Gas held 829,641,578 Shares, or approximately 51.32% of the issued share capital of the Company; whereas Tanisca did not hold any Shares. Referring to the simplified shareholding structure of the Company as illustrated in the section headed “Reasons for the Proposed Amendments” in the Letter from the Board, in the event that all the outstanding Convertible Bonds are converted into Shares at the current Conversion Price, 1,440,960,208 new Shares will be issued to Titan Gas and 344,754,077 new Shares will be issued to Tanisca.

In the event that Titan Gas exercises the conversion rights attaching to its Convertible Bonds in full after the Tanisca Conversion Date, the Company would be in breach of the public float requirements under the Listing Rules, which normally requires that at least 25% of the Company’s share capital must at all times be held by the public. Full conversion of the Convertible Bonds by Titan Gas will not be allowed in the event that this will lead to a breach of the public float requirements under the Listing Rules. If Titan Gas is to convert the Convertible Bonds in full, it would have to sell a material amount of Shares on the market. The Company considers that this may not be in the best interests of the Company and the Shareholders as this may potentially create substantial downward pressure on the market price of the Shares given the recent price performance and trading liquidity.

Furthermore, redemption of the Convertible Bonds will reduce the available cash resources of the Group which may impose negative impact on the Group’s liquidity and negatively affect the Group’s further business development and expansion plans, including the exploration and development of its existing oil projects in the PRC, and potential acquisition of and investment in other oil and gas or energy related projects. The proposed Extension preserves the cash resources of the Group by allowing the Group to refinance the debts under the Convertible Bonds under the same terms (other than the removal of the Anti-dilutive Adjustment Events) for a further 48 months. The interest rate of the Convertible Bonds (i.e. 1%

LETTER FROM VBG CAPITAL

per annum) is lower than the general cost of borrowing of the Group and there is no need for any guarantee or security. As such, the proposed Extension will provide the Group with flexibility in deploying its cash resources in a less costly manner.

Restrictions on the exercise of the conversion rights

Considering the possible transfer of the Convertible Bonds in the future, the Company proposes that any exercise of the conversion rights attaching to the Convertible Bonds by the bondholder shall be subject to the public float requirements of the Listing Rules.

The Directors are of the view that the restrictions on the exercise of the conversion rights will put the Company in a better position to comply with the public float requirements of the Listing Rules.

Removal of the Anti-dilutive Adjustment Events

The Company also proposes to remove the Anti-dilutive Adjustment Events in order to protect the interest of the minority Shareholders.

Anti-dilutive adjustment events are customary and common to many convertible bonds and notes. The proposed removal of the Anti-dilutive Adjustment Events reduces the possibility of an increase in the number of Conversion Shares which will be held by holder of the Convertible Bonds. It represents a restriction on holder of the Convertible Bonds by minimising the likelihood of conversion of the Convertible Bonds into additional Shares, and a protection to the interests of the independent minority Shareholders from potential additional dilution as a result of any future equity fund raising during the term of the Convertible Bonds. This also gives the Company a better position in determining and negotiating structure and terms (in particular pricing) of any potential future equity fund raising.

The Directors are of the view that the removal of the Anti-dilutive Adjustment Events represents a waiver of rights by Titan Gas, and will not pose any significant adverse impact on the operations of the Group or the rights of the minority Shareholders.

2. Principal terms of the 3rd Deed of Amendment

The table below illustrates the principal terms of the 3rd Deed of Amendment dated 15 August 2017, which will only become effective on the Effective Date:

Parties:	The Company (as issuer of the Convertible Bonds); and Titan Gas (as the sole holder of the Convertible Bonds on the Effective Date)
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LETTER FROM VBG CAPITAL

The Proposed Amendments:

- (i) The Current Maturity Date of the Convertible Bonds will be extended to a date falling on 30 April 2022 and the expiry date of the conversion period will accordingly be extended to a date falling on 30 April 2022.
- (ii) The conversion rights attaching to the Convertible Bonds shall not be exercised by holder of the Convertible Bonds and the Company will not issue the Conversion Shares if, immediately following the conversion, the Company would be unable to meet the public float requirements under the Listing Rules.
- (iii) The Anti-dilutive Adjustment Events will be removed, and the Conversion Price will only be subject to customary adjustments relating to capital reorganisation such as consolidation or sub-division of Shares and bonus issue of new Shares, capitalisation of profits or reserves and capital distribution to Shareholders.

Saved for the Proposed Amendments, all other major Terms and Conditions shall remain in full force.

The current Conversion Price is HK\$0.0672 per Conversion Share, which is subject to adjustment events under the current Terms and Conditions (including the Anti-dilutive Adjustment Events) before the Effective Date. In the event that the current Conversion Price is adjusted pursuant to the current Terms and Conditions before the Effective Date, the Directors confirmed that the Company will re-comply with the relevant applicable requirements under the Listing Rules for the Proposed Amendments, including the independent Shareholders' approval (if applicable).

Prior to the Effective Date, the Convertible Bonds are held by Titan Gas and Tanisca (where applicable), and are subject to the current Terms and Conditions. After the Effective Date, the Convertible Bonds will be solely held by Titan Gas, and will be subject to the revised Terms and Conditions (as amended by the Proposed Amendments).

LETTER FROM VBG CAPITAL

Based on our review of the Subscription Agreement, we noted that the Anti-dilutive Adjustment Events include the followings:

- (i) If and whenever the Company shall offer to the Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price at the date of the announcement of the terms of the offer or grant.
- (ii) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total consideration initially receivable per Share is less than 90% of the market price at the date of the announcement of the terms of issue of such securities or the modification which results that the total consideration is less than 90% of the market price as at the date of the proposal to modify such rights.
- (iii) If and whenever the Company issue wholly for cash of any Shares a price per Share which is less than 90% of the market price as at the date of the announcement of the terms of such issue.
- (iv) If and whenever the Company issue Shares for the acquisition of asset at an aggregate consideration per Share which is less than 90% of the market price as at the date of the announcement of the terms of such issue.

Consequently, the Conversion Price shall not be subject to further adjustment of the occurrence of the Anti-dilutive Adjustment Events as set forth above after the 3rd Deed of Amendment becomes effective.

3. Impact of the Proposed Amendments

Prevention of possible adverse impact on the Share price

Without the proposed Extension, the Convertible Bonds will mature less than one year from now on 30 April 2018. In the event that none of the Convertible Bonds are purchased or cancelled or converted (save for Tanisca which chooses to convert all of its Convertible Bonds), with prior written confirmation from Titan Gas, the Company can pay HK\$96,832,526 for full redemption of the Convertible Bonds or else all the outstanding Convertible Bonds will be converted into Shares on 28 April 2018.

Assuming that Titan Gas refuses to provide written confirmation to the Company agreeing cash redemption (as the market price of the Shares is higher than the Conversion Price) and prefers to convert the Convertible Bonds into Shares. In this relation, we noted that as discussed in details in the sub-section headed "Reasons for the Proposed Amendments" of this letter of advice, the Company would not be able to issue all the required Conversion Shares to Titan Gas in breach of the public float requirements under the Listing Rules without Titan Gas selling a significant amount of its holding in Shares on the market. Given the recent sliding

LETTER FROM VBG CAPITAL

price performance and low trading liquidity of the Shares (for details, please refer to the sub-section headed “Flexibility in future funding” of this letter of advice), this may create substantial downward pressure on the market price of the Shares.

Relieving liquidity pressure and better use of cash resources

Although the Company can choose to redeem the Convertible Bonds should it be able to obtain written confirmation from Titan Gas after the Tanisca Conversion Date, we noted that the Group had approximately HK\$1,134.5 million of unpledged cash and bank deposits as at 31 March 2017 but nearly the entire sum of the unutilised proceeds from the Subscription and the CN Subscription has specific identified usages in short to medium run. As presented in the sub-section headed “Business review of the Group” of this letter of advice, the Group has newly tapped into the oil and gas industry since July 2016 and is in the process of conducting further exploration and development work at its oil fields in the PRC. Those exploration and development work requires substantial amount of capital investment. In addition, to grasp market opportunities in oil and gas and energy related investments, the Group targets to capture investments globally as and when suitable opportunities arise. In light of the above, the Directors advised us that the Group will have persistent funding needs in short to medium run. In the event that the Company deploys its cash resources to redeem the Convertible Bonds, the Group may miss valuable investment opportunities which would arise anytime and/or this may cause delay to the exploration and development work at the Group’s oil fields, either case is likely to be detrimental to the future business growth and prospects of the Group.

Upon our further enquiry with the Directors, we were given to understand that they consider the Extension to be preferable having considered that (i) the 1% annual interest rate of the Convertible Bonds is much lower than the fixed interest rates of 4.35% to 4.8% borne by the Group’s short term loans for the financial year ended 31 March 2017 and there is no need for any guarantee or security; and (ii) the Extension is relatively simple, less costly and less time consuming.

LETTER FROM VBG CAPITAL

Flexibility in future funding and better protection of minority Shareholders' interest

The chart below demonstrates the daily closing prices of the Shares as quoted on the Stock Exchange against (i) the Conversion Price; and (ii) the net asset value per Share as at 31 March 2017 during the period commencing from 1 August 2016 up to and including the Latest Practicable Date (the “**Review Period**”):



As depicted by the above chart, the open market prices of the Shares have followed a general sliding trend since April 2017. The closing prices of the Shares were within the range of HK\$1.50 per Share to HK\$2.95 per Share during the Review Period, with the average Share closing price being HK\$2.27 per Share.

The net asset value per Share of approximately HK\$1.28 is calculated based on the total net assets of approximately HK\$2,077.4 million as disclosed in the 2016/17 Annual Report divided by the total number of issued Shares as at the Latest Practicable Date.

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The number of trading days, average daily number of the Shares traded per month, and the respective percentages of the Shares' monthly trading volume as compared to (i) the total number of issued Shares held by the public as at the Latest Practicable Date; and (ii) the total number of issued Shares as at the Latest Practicable Date, during the Review Period are tabulated as below:

Month	No. of trading days	Average daily trading volume (the "Average Volume") <i>Shares</i>	% of the Average Volume to total number of issued Shares held by the public as at the Latest Practicable Date <i>(Note 1)</i> %	% of the Average Volume to total number of issued Shares as at the Latest Practicable Date <i>(Note 2)</i> %
2016				
August	22	49,091	0.006	0.0030
September	21	108,095	0.014	0.0067
October	19	540,630	0.071	0.0334
November	22	399,795	0.052	0.0247
December	20	197,375	0.026	0.0122
2017				
January	19	69,263	0.009	0.0043
February	20	90,305	0.012	0.0056
March	23	75,217	0.010	0.0047
April	17	180,059	0.024	0.0111
May	20	90,800	0.012	0.0056
June	22	199,950	0.026	0.0124
July	21	92,095	0.012	0.0057
August (up to and including the Latest Practicable Date)	11	117,636	0.015	0.0073

Source: the Stock Exchange web-site (www.hkex.com.hk)

Notes:

1. Based on 762,688,997 Shares held in public hands as at the Latest Practicable Date.
2. Based on 1,616,740,575 Shares in issue as at the Latest Practicable Date.

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The above table illustrates that the average daily trading volume of the Shares per month was thin throughout the Review Period, with ranges of approximately 0.006% to 0.071% and approximately 0.0030% to 0.0334% of the total number of issued Shares held by the public as at the Latest Practicable Date and the total number of issued Shares as at the Latest Practicable Date, respectively. Thus, the Shares had not been actively traded historically, indicating a generally low liquidity of the Shares.

As presented in the section headed “Principal terms of the 3rd Deed of Amendment” of this letter of advice, the Anti-dilutive Adjustment Events would occur when the price per Share issued is less than 90% of the market price on the date of announcement of the terms of the offer or grant or issue.

Given the current market prices of the Shares, the net asset value per Share of HK\$1.28 as at 31 March 2017, and the thin trading liquidity of the Shares, we are of the opinion that a future equity fund raising is likely to trigger an Anti-dilutive Adjustment Event. The removal of the Anti-dilutive Adjustment Events in connection with the proposed Extension will eliminate the pricing limitation on possible future equity fund raising exercises that can be conducted by the Company without triggering potential further downward adjustment to the Conversion Price, and in turn the possibility of an increase in the number of Conversion Shares which will be held by holder of the Convertible Bonds causing further dilution to the other Shareholders. In this regard, it will effectively protect the interests of the minority Shareholders from potential additional dilution (in terms of equity value and net asset value).

Possible financial effect of the Proposed Amendments

Dividing the total net assets of approximately HK\$2,077.4 million as disclosed in the 2016/17 Annual Report by the total number of issued Shares as at the Latest Practicable Date, we calculated the net asset value per Share to be approximately HK\$1.28. In the event of full conversion of the outstanding Convertible Bonds, 1,785,714,285 new Shares will be issued. With reference to the enlarged number of issued Shares, the net asset value per Share would be reduced by more than 50% to approximately HK\$0.61 per Share. The mere Extension does not give rise to further dilution due to conversion of the Convertible Bonds by Titan Gas, in particular in view of the proposed removal of the Anti-dilutive Adjustment Events.

We have also discussed with the Directors regarding the possible effect to the financial statements of the Group as a result of the Proposed Amendments. As confirmed by the Directors, the Proposed Amendments do not have impact on the accounting treatments in respect of the conversion option embedded in the Convertible Bonds in meeting the fixed-to-fixed criterion (i.e. delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial assets) under the Hong Kong Accounting Standard 32, therefore the Convertible Bonds would continue to be classified as a compound financial instrument with the conversion option being an equity component in accordance

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with the Company's accounting policies. The Proposed Amendments shall be accounted for as an extinguishment of the original Convertible Bonds and the recognition of the new ones. For this reason, the difference between the fair value of the liability component of the new Convertible Bonds and the carrying amount of the original liability together with the change in the fair value of the conversion option resulting from the Proposed Amendments shall be recognised in the Company's profit or loss.

Based on the above, the Company currently estimates that as a result of the extension of the term of maturity, the decrease in the fair value of the liability component of the Convertible Bonds would be more than the estimated increase in the fair value of the conversion option resulting from the Proposed Amendments. This would lead to an improvement on the net asset position as well as a gain in the profit and loss of the Company. Nevertheless, Shareholders should note that the aforesaid possible financial effect of the Proposed Amendments will be based on the fair value of the Convertible Bonds on the effective date of the Proposed Amendments.

No material change on operations of the Group

Titan Gas has become the controlling shareholder of the Company from around July 2016 onwards. Since then, Titan Gas has shown a strong commitment to assist the Group in business transformation from a hotel and restaurant operator to a company which principally engages in the exploration, development, production and sale of crude oil. After the 3rd Deed of Amendment becomes effective and assuming that there is no other change in the share capital of the Company (save for the possible conversion of the Convertible Bonds by Tanisca), Titan Gas would remain as the controlling shareholder of the Company. The Directors are of the view that the removal of the Anti-dilutive Adjustment Events merely represent waiver of rights by Titan Gas, as such, they expected that neither the daily business operations of the Group nor the right of the public Shareholders would be affected.

Conclusion on the Proposed Amendments

Taking into account that:

- (i) the Extension can prevent the possible adverse impact on the Share price due to the public float requirements under the Listing Rules;
- (ii) the Group will have persistent funding needs in short to medium run given that it has newly tapped into the oil and gas industry and that the exploration and development of oil fields and other further investments require substantial amount of capital, full redemption of the Convertible Bonds will reduce the cash resources available to the Group which may impose negative impact on the Group's liquidity and negatively affect the Group's business development and expansion plans;

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- (iii) the Extension would delay the cash outflow from redemption of the Convertible Bonds on maturity and hence provide the Group with flexibility in deploying its cash resources to fund its business development;
- (iv) the Extension would effectively allow the Group to refinance its debts under the Convertible Bonds based on the same terms for a further 48 months at comparatively low interest cost without requiring any guarantee or security and the Extension is a relatively simple, less costly and less time consuming;
- (v) the Anti-dilutive Adjustment Events have limited the pricing options and timing of fund raising exercises that can be conducted by the Company, and the removal of the Anti-dilutive Adjustment Events would give the Company a better position in determining and negotiating structure and terms (in particular pricing) of any potential future fund raising;
- (vi) the removal of the Anti-dilutive Adjustment Events would reduce the possibility of the increase in the number of Conversion Shares which will be held by holder of the Convertible Bonds, thereby better protecting the public Shareholders from further excessive dilution resulting from any equity fund raising;
- (vii) subject to the actual estimated fair value of the Convertible Bonds on the effective date of the Proposed Amendments, the Proposed Amendments would bring positive financial effect to the Group by way of improving its net asset position as well as profit and loss;
- (viii) it is expected that the removal of the Proposed Amendments would neither affect the daily business operations of the Group nor the right of the public Shareholders;
- (ix) the restrictions on the exercise of the conversion rights will put the Company in a better position to comply with the public float requirements of the Listing Rules; and
- (x) in the event that the current Conversion Price is adjusted pursuant to the current Terms and Conditions before the Effective Date, the Directors confirmed that the Company will re-comply with the relevant applicable requirements under the Listing Rules for the Proposed Amendments, including the independent Shareholders' approval (if applicable),

we are of the view that the Proposed Amendments are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole even though they are not conducted in the ordinary and usual course of business of the Group.

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RECOMMENDATION

Having taken into consideration the aforementioned principal factors and reasons for the Proposed Amendments, we are of the opinion that (i) the 3rd Deed of Amendment is on normal commercial terms and is fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Proposed Amendments are in the interests of the Company and the Shareholders as a whole even though they are not conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the 3rd Deed of Amendment, and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes the particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS

(1) Interests in the shares, underlying shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and/or short positions (as applicable) of the Directors in the shares, underlying shares and debentures of the Company or any of the Company's associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") to be notified to the Company and the Stock Exchange, are as follows:

(A) Long positions in the Shares

Name of Director	Nature of interest	Number of Ordinary Shares	Percentage of the Company's issued shares
Wang Jingbo	Corporate	829,641,578 <i>(Note 1)</i>	51.32%
Shong Hugo	Corporate	829,641,578 <i>(Notes 1 and 2)</i>	51.32%
Lin Dongliang	Corporate Beneficial	829,641,578 12,910,000 <i>(Notes 1 and 3)</i>	51.32% 0.80%

Notes:

1. These shares are held by Titan Gas, a company which is controlled as to 87.76% by Titan Gas Technology Holdings Limited (“**Titan Gas Holdings**”), which is in turn owned as to 35.13% by Standard Gas Capital Limited (“**Standard Gas**”), 49.14% by IDG-Accel China Capital II L.P. (“**IDG-Accel Capital II L.P.**”) and IDG-Accel China Capital II Investors L.P. (“**IDG-Accel Investors II L.P.**”) (“**IDG Funds**”), 8.05% by Mr. Wang Jingbo (“**Mr. Wang**”), 6.87% by 金世旗國際控股股份有限公司(Kingsbury International Holdings Co., Ltd.*) (“**Kingsbury**”), 0.73% by Zhang Weiwei and 0.08% by Bryce Wayne Lee. Under the SFO, Titan Gas Holdings, Standard Gas and IDG Funds are deemed to have interest in the shares in which Titan Gas has beneficial interest.

Standard Gas, Mr. Wang and Kingsbury have entered into an acting in concert arrangement for the purpose of facilitating a more efficient decision-making process in connection with the exercise of their shareholders’ rights in Titan Gas Holdings pursuant to which, Standard Gas, Kingsbury and Mr. Wang agree to align with each other in respect of the voting of major actions in respect of Titan Gas Holdings’ business and each of Standard Gas, Mr. Wang and Kingsbury will consult with each other and reach agreement on material matters of Titan Gas Holdings before it/he exercises its/his respective voting rights in Titan Gas Holdings, provided that Mr. Wang will have a casting vote and will have the final decision making power in the event that a consensus cannot be reached among Standard Gas, Mr. Wang and Kingsbury. Under the SFO, Mr. Wang is deemed to have interests in the shares in which Titan Gas has interest.

2. All the issued voting shares in Standard Gas are held by Blazing Success Limited (“**Blazing Success**”) which in turn is wholly owned by Lee Khay Kok. Blazing Success has granted a power of attorney to the board of directors of Standard Gas which comprises Mr. Wang, Lin Dongliang and Shong Hugo. Under the SFO, Shong Hugo is deemed to have interest in the shares in which Standard Gas has interest.
3. All the issued voting shares in Standard Gas are held by Blazing Success which in turn is wholly owned by Lee Khay Kok. Blazing Success has granted a power of attorney to the board of directors of Standard Gas which comprises Mr. Wang, Lin Dongliang and Shong Hugo. Under the SFO, Lin Dongliang is deemed to have interest in the shares in which Standard Gas has interest.

The 12,910,000 Shares are held by Lin Dongliang beneficially.

(B) Long positions in the underlying shares of the Company

Name of Director	Nature of interest	Number of underlying Shares
Wang Jingbo	Corporate	1,440,960,208
		1,854,874,798
		<i>(Note 1)</i>
Shong Hugo	Corporate	1,440,960,208
		1,411,505,622
		<i>(Notes 1 and 2)</i>
Lin Dongliang	Corporate	1,440,960,208
		1,411,505,622
		<i>(Notes 1 and 3)</i>

Notes:

- The 1,440,960,208 underlying shares represented the new Shares to be issued upon full conversion of the Convertible Bonds with an aggregate principal amount of HK\$96,832,526 held by Titan Gas at a Conversion Price of HK\$0.0672 per Shares issued by the Company. As explained in Note 1 of Section (A) above, under the SFO, Mr. Wang is deemed to have interests in the Convertible Bond in which Titan Gas has interest.

The 1,854,874,798 underlying shares consist of (i) the 1,411,505,622 underlying shares representing the new Shares to be issued upon full conversion of 1,411,505,622 Preferred Shares held by Titan Gas, and (ii) the 443,369,176 underlying shares representing the new Shares to be issued upon full conversion of 443,369,176 Preferred Shares held by Aquarius Growth Investment Limited (“**Aquarius Investment**”), upon full payment and subject to their terms. Aquarius Investment is accustomed to act in accordance with the instructions of, among others, Mr. Wang. Under the SFO, Mr. Wang is deemed to have interests in the shares in which Aquarius Investment has interest.

- The 1,440,960,208 underlying shares represented the new Shares to be issued upon full conversion of the Convertible Bonds held by Titan Gas at a Conversion Price of HK\$0.0672 per share issued by the Company.

The 1,411,505,622 underlying shares represented the new Shares to be issued upon full conversion of 1,411,505,622 Preferred Shares held by Titan Gas upon full payment and subject to their terms.

As explained in Notes 1 and 2 of Section (A) above, under the SFO, Shong Hugo is deemed to have interest in the shares in which Standard Gas has interest.

- The 1,440,960,208 underlying shares represented the new Shares to be issued upon full conversion of the Convertible Bonds held by Titan Gas at a Conversion Price of HK\$0.0672 per share issued by the Company.

The 1,411,505,622 underlying shares represented the new Shares to be issued upon full conversion of 1,411,505,622 Preferred Shares held by Titan Gas upon full payment and subject to their terms.

As explained in Notes 1 and 3 of Section (A) above, under the SFO, Lin Dongliang is deemed to have interest in the shares in which Standard Gas has interest.

(C) Interest in associated corporations of the Company**(i) Titan Gas Technology Holdings Limited**

Name of Director	Long/short position	Capacity	Number of Shares	Percentage of the associated corporation's issued voting shares
Ordinary Shares: Other than pursuant to equity derivatives				
Wang Jingbo	Long position	Corporate	13,000,000 <i>(Note 1)</i>	65.00%
		Beneficial	6,418,675	32.09%
Shong Hugo	Long position	Corporate	13,000,000 <i>(Notes 1 and 2)</i>	65.00%
Lin Dongliang	Long position	Corporate	13,000,000 <i>(Notes 1 and 3)</i>	65.00%
Series A-1 Preferred Shares: Unlisted derivatives — Physically settled options				
Wang Jingbo	Long position	Corporate	15,000,000 <i>(Note 1)</i>	75.00%
		Beneficial		
Shong Hugo	Long position	Corporate	15,000,000 <i>(Notes 1 and 2)</i>	75.00%
Lin Dongliang	Long position	Corporate	15,000,000 <i>(Notes 1 and 3)</i>	75.00%

Notes:

1. These shares are held by Standard Gas. All the issued voting shares in Standard Gas are held by Blazing Success which in turn is wholly owned by Lee Khay Kok. Blazing Success has granted a power of attorney to the board of directors of Standard Gas which comprises Mr. Wang, Lin Dongliang and Shong Hugo. Under the SFO, Mr. Wang is deemed to have interest in the shares in which Standard Gas has interest. Mr. Wang, Lin Dongliang and Shong Hugo are also directors of Titan Gas Holdings.
2. Please see Note 2 of Section (A) above.
3. Please see Note 3 of Section (A) above.

(ii) Titan Gas Technology Investment Limited

Name of Director	Long/short position	Capacity	Number of Shares	Percentage of the associated corporation's issued voting shares
Ordinary Shares				
Wang Jingbo	Long position	Corporate	150,000 (Note 1)	87.76%
Shong Hugo	Long position	Corporate	150,000 (Notes 1 and 2)	87.76%
Lin Dongliang	Long position	Corporate	150,000 (Notes 1 and 3)	87.76%

Notes:

1. These shares are held by Titan Gas Holdings, which is in turn controlled as to 35.13% by Standard Gas. Under the SFO, Standard Gas is deemed to have interest in the shares in which Titan Gas Holdings has beneficial interest.

Standard Gas, Mr. Wang and Kingsbury have entered into an acting in concert arrangement for the purpose of facilitating a more efficient decision-making process in connection with the exercise of their shareholders' rights in Titan Gas Holdings pursuant to which, Standard Gas, Kingsbury and Mr. Wang agree to align with each other in respect of the voting of major actions in respect of Titan Gas Holdings' business and each of Standard Gas, Mr. Wang and Kingsbury will consult with each other and reach agreement on material matters of Titan Gas Holdings before it/he exercises its/his respective voting rights in Titan Gas Holdings, provided that Mr. Wang will have a casting vote and will have the final decision-making power in the event that a consensus cannot be reached among Standard Gas, Mr. Wang and Kingsbury. Under the SFO, Mr. Wang is deemed to have interests in the shares in which Titan Gas Holdings has interest.

2. Please see Note 2 of Section (A) above.
3. Please see Note 3 of Section (A) above.

(2) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreement with the Company or any member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

(3) Competing interest of Directors

As disclosed in the circular of the Company dated 29 June 2016, in relation to, among other things, the previous reverse takeover (the “**RTO Circular**”), in order to protect the interest of the Company, the Offeror (as defined in the RTO Circular), Mr. Wang Jingbo, Mr. Lin Dongliang (a non-executive Director) and certain other parties (collectively, the “**Covenantors**”) has entered into a non-competition deed in favour of the Company (for itself and for the benefit of its subsidiaries) (the “**Non-Competition Deed**”). With reference to the RTO Circular, the Company organised a working meeting with the Covenantors in which the Company reviewed their business portfolios and considered that there was no opportunity to operate a Restricted Business (as defined in the RTO Circular).

As disclosed in the annual report of the Company for the year ended 31 March 2017, the Company has received confirmations from each of the Covenantors on full compliance with the Non-Competition Deed for the year ended 31 March 2017. The independent non-executive Directors have reviewed the confirmations provided by the Covenantors, and concluded that each of the Covenantors complied with the relevant terms of the Non-Competition Deed for the year ended 31 March 2017.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had an interest in a business which competes or may compete with the business of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company).

(4) Other interests

As at the Latest Practicable Date, saved as disclosed in this circular,

- (a) none of the Directors is aware of any other Director who has any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporation (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, under section 352 of the SFO, to be entered in the register referred to in that section, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as at the Latest Practicable Date;
- (b) none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2017, the date to which the latest published audited financial statement of the Group was made up;

- (c) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group; and
- (d) none of the Directors and their respective associates had any interest in a business which competes or may compete with the business of the Group or had any other conflict of interest with the Company.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as it is known to the Directors, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity/nature of interest	Number of Shares or underlying Shares (Note 1)	Percentage of the Company's issued share capital
Tanisca Investments Limited (Note 3)	Beneficial owner	344,754,077 (L) (Note 2)	21.32%
Aquarius Growth Investment Limited (Note 5)	Beneficial owner	443,369,176 (L) (Note 4)	27.42%
ZHAO Ming (Note 5)	Interest of a controlled corporation	443,369,176 (L) (Note 4)	27.42%
Grand Empire Global Limited (Note 6)	Beneficial owner	116,736,360 (L) (Note 6)	7.22%
Rexwell Holdings Limited (Note 6)	Interest of a controlled corporation	116,736,360 (L) (Note 6)	7.22%
ZHANG Lu (Note 6)	Interest of controlled corporations	116,736,360 (L) (Note 6)	7.22%
League Way Ltd. (Note 7)	Beneficial owner	373,357,228 (L) (Note 7)	23.09%
SHI Jianji (Note 7)	Interest of a controlled corporation	373,357,228 (L) (Note 7)	23.09%
New Fast Investments Limited (Note 8)	Beneficial owner	241,437,675 (L) (Note 8)	14.93%
Gate Success Investments Limited (Note 8)	Interest of a controlled corporation	241,437,675 (L) (Note 8)	14.93%
YU Nan (Note 8)	Interest of controlled corporations	241,437,675 (L) (Note 8)	14.93%
Real Smart Holdings Limited (Note 9)	Beneficial owner	166,766,230 (L) (Note 9)	10.31%
True Vision Global Limited (Note 9)	Interest of a controlled corporation	166,766,230 (L) (Note 9)	10.31%
XU Sa (Note 9)	Interest of controlled corporations	166,766,230 (L) (Note 9)	10.31%
Sonic Gain Limited (Note 10)	Beneficial owner	319,820,786 (L) (Note 10)	19.78%
KO Chun Shun, Johnson (Note 10)	Interest of a controlled corporation	319,820,786 (L) (Note 10)	19.78%

Name	Capacity/nature of interest	Number of Shares or underlying Shares (Note 1)	Percentage of the Company's issued share capital
True Success Global Limited (Note 11)	Beneficial owner	175,104,540 (L) (Note 11)	11.32%
KO Wing Yan, Samantha (Note 11)	Interest of a controlled corporation	175,104,540 (L) (Note 11)	11.32%
上海宏流投資管理有限公司 (Shanghai Trend Capital Co., Ltd.)* (Note 12)	Investment manager	140,382,318 (L)	8.69%
華寶•境外市場投資2號系 列 20-6期QDII單一資金 信託 (Hwabao.Overseas Investment Series 2 No 20-6 QDII Single Money Trust*) (Note 12)	Beneficiary of a trust	93,588,212 (L)	5.79%
華寶信託有限責任公司 (Hwabao Trust Co., Ltd.) (Note 12)	Trustee of a trust	140,382,318 (L)	8.69%
寶鋼集團有限公司 (Baosteel Group Corporation*) (Note 12)	Interest of a controlled corporation	140,382,318 (L)	8.69%
WANG Ruyuan (Note 12)	Interest of a controlled corporation	140,382,318 (L)	8.69%
Titan Gas Technology Investment Limited (Note 13)	Beneficial owner	3,682,107,408 (L)	227.75%
Titan Gas Technology Holdings Limited (Note 13)	Interest of a controlled corporation	3,682,107,408 (L)	227.75%
Standard Gas Capital Limited (Note 13)	Interest of controlled corporations	3,682,107,408 (L)	227.75%
金世旗國際控股股份有限 公司 (Kingsbury International Holdings Co., Ltd.) (Note 13)	Interest of controlled corporations	3,682,107,408 (L)	227.75%
IDG-Accel China Capital GP II Associates Ltd. (Note 17)	Interest of controlled corporations	3,682,107,408 (L) (Notes 13, 15)	227.75%
IDG-Accel China Capital II Associates L.P. (Note 18)	Interest of controlled corporations	3,682,107,408 (L) (Notes 13, 17)	227.75%
IDG-Accel China Capital II L.P. (Note 18)	Interest of controlled corporations	3,682,107,408 (L) (Notes 13, 17)	227.75%
Ho Chi Sing (Note 17)	Interest of controlled corporations	3,693,607,408 (L) (Notes 13, 15, 17)	228.46%
ZHOU Quan (Note 17)	Interest of a controlled corporation	3,693,607,408 (L) (Notes 13, 15, 17)	228.46%
LUO Yuping	Interest of controlled corporations	3,682,107,408 (L) (Notes 13, 14, 18)	227.75%
ZHANG Chunhua	Interest of controlled corporations	127,681,952 (L) (Note 19)	7.90%
Rich Harvest Worldwide Ltd.	Beneficial owner	127,681,952 (L) (Note 19)	7.90%

Notes:

1. The letter “L” represents the individual’s long position in the shares and the letter “S” represents the individual’s short position in the shares.
2. These interests in the underlying Shares represent the derivative interests under the Convertible Bonds.
3. Mr. Mo Tianquan (“**Mr. Mo**”) has control over 100% interests of Tanisca and Upsky Enterprises Limited. Under the SFO, Mr. Mo is deemed to have interest in the shares in which Tanisca and Upsky Enterprises Limited have interest.
4. Aquarius Investment has interests in respect of 443,369,176 underlying Shares through the derivative interests under 443,369,176 Preferred Shares.
5. Aquarius Investment is controlled as to 91% by Zhao Ming and as to 9% by Mr. Wang. Under the SFO, Zhao Ming is deemed to have interest in the shares in which Aquarius Investment has interest.
6. Grand Empire Global Limited is controlled as to 100% by Rexwell Holdings Limited and Rexwell Holdings Limited is controlled as to 100% by Zhang Lu. Under the SFO, Zhang Lu and Rexwell Holdings Limited are deemed to have interest in the shares in which Grand Empire Global Limited has interest. It has interest in 116,736,360 underlying Shares through derivative interests in 116,736,360 Preferred Shares.
7. League Way Ltd. is controlled as to 70% by Shi Jianji. Under the SFO, Shi Jianji is deemed to have interest in the shares in which League Way Ltd. has interest. It has interest in 373,357,228 underlying Shares through derivative interests in the Convertible Note (as defined in the RTO Circular).
8. New Fast Investments Limited is controlled as to 100% by Gate Success Investments Limited. Gate Success Investments Limited is controlled as to 100% by Yu Nan. Under the SFO, Yu Nan and Gate Success Investments Limited are deemed to have interest in the shares in which New Fast Investments Limited has interest. It has interest in 116,736,360 underlying Shares through derivative interests in 116,736,360 Preferred Shares.
9. Real Smart Holdings Limited is controlled as to 100% by True Vision Global Limited. True Vision Global Limited is controlled as to 100% by Xu Sa. Under the SFO, Xu Sa and True Vision Global Limited are deemed to have interest in the shares in which Real Smart Holdings Limited has interest. It has interest in 116,736,360 underlying Shares through derivative interests in 116,736,360 Preferred Shares.
10. Sonic Gain Limited is owned as to 100% by Ko Chun Shun, Johnson. Under the SFO, Ko Chun Shun, Johnson is deemed to have interest in the shares in which Sonic Gain Limited has interest. It has interest in 175,104,540 underlying Shares through derivative interests in 175,104,540 Preferred Shares.
11. True Success Global Limited is owned as to 100% by Ko Wing Yan, Samantha. Under the SFO, Ko Wing Yan, Samantha is deemed to have interest in the shares in which True Success Global Limited has interest. It has interest in 175,104,540 underlying Shares through derivative interests in 175,104,540 Preferred Shares.
12. 上海宏流投資管理有限公司 (Shanghai Trend Capital Co., Ltd.*) has beneficial interest in an aggregate of 140,382,318 Shares through 華寶•境外市場投資2號系列20-6期QDII單一資金信託 (Hwabao.Overseas Investment Series 2 No 20-6 QDII Single Money Trust*) and 華寶•境外市場投資2號系列20-7期QDII單一資金信託 (Hwabao.Overseas Investment Series 2 No 20-7 QDII Single Money Trust*). Under the SFO, 華寶信託有限責任公司 (Hwabao Trust Co.,Ltd.), as the trustee of the aforesaid trusts, is deemed to have interest in an aggregate of 140,382,318 Shares in which the aforesaid trusts have interest; Wang Ruyuan, who has control of 66% of the interests of 上海宏流投資管理有限公司 (Shanghai Trend Capital Co., Ltd.*), is deemed to have interest in 140,382,318 Shares in which 上海宏流投資管理有限公司 (Shanghai Trend Capital Co., Ltd.*) has beneficial interest; 寶鋼集團有限公司 (Baosteel Group Corporation*), which has control over 98% of the interests of 華寶信託有限責任公

司 (Hwabao Trust Co., Ltd.), is deemed to have interest in 140,382,318 Shares in which 華寶信託有限責任公司(Hwabao Trust Co., Ltd.) has interest in the capacity of a trustee. 華寶 • 境外市場投資2號系列20-7期QDII單一資金信託 (Hwabao.Overseas Investment Series 2 No 20-7 QDII Single Money Trust*) does not in itself have an interest or short position in the Company which was required to be disclosed to the Company or the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

13. Titan Gas is controlled as to 87.76% by Titan Gas Holdings, which is in turn controlled as to 35.13% by Standard Gas, 49.14% by the IDG Funds, 8.05% by Mr. Wang, 6.87% by Kingsbury, 0.73% by Zhang Weiwei and 0.08% by Bryce Wayne Lee. Under the SFO, Titan Gas Holdings, Standard Gas, IDG Funds are deemed to have interest in 3,682,107,408 Shares in which Titan Gas has beneficial interest. Interest in such Shares include interest in 2,852,405,830 underlying Shares through derivative interests in the Convertible Bonds in the principal amount of HK\$96,832,526 and the Preferred Shares that Titan Gas has agreed to subscribe for under the Subscription Agreement (as defined in the RTO Circular). As at the Latest Practicable Date, Mr. Wang, Mr. Lin Dongliang and Mr. Shong Hugo are directors of Titan Gas Holdings.
14. Standard Gas, Mr. Wang and Kingsbury have entered into an acting in concert arrangement for the purpose of facilitating a more efficient decision making process in connection with the exercise of their shareholders' rights in Titan Gas Holdings pursuant to which, Standard Gas, Kingsbury and Mr. Wang agree to align with each other in respect of the voting of major actions in respect of Titan Gas Holdings' business and each of Standard Gas, Mr. Wang and Kingsbury will consult with each other and reach agreement on material matters of Titan Gas Holdings before it/he exercises its/his respective voting rights in Titan Gas Holdings, provided that Mr. Wang will have a casting vote and will have the final decision making power in the event that a consensus cannot be reached among Standard Gas, Mr. Wang and Kingsbury. Aquarius Investment is accustomed to act in accordance with the instructions of, among others, Mr. Wang. Under the SFO, Mr. Wang is deemed to have interests in the shares in which Titan Gas or Aquarius Investment has interest on the basis set out above. The Shares and underlying Shares in which Mr. Wang has interest comprise 3,682,107,408 Shares in which Titan Gas has beneficial interest (including derivative interest in 2,852,465,830 underlying Shares) and 443,369,176 underlying Shares in which Aquarius Investment has beneficial interest.
15. The IDG Funds is under the control of its ultimate general partner, IDG-Accel Ultimate GP. Under the SFO, IDG-Accel Ultimate GP is deemed to have interest in the shares in which the IDG Funds have interest.
16. IDG-Accel China Capital II Associates L.P. has control over IDG-Accel Capital II. Under the SFO, IDG-Accel China Capital II Associates L.P. is deemed to have interest in the shares in which IDG-Accel Capital II has beneficial interest.
17. Ho Chi Shing and Zhou Quan are directors of IDG-Accel Ultimate GP and are responsible for decision making matters relating to the IDG Funds and their investments, and hence controls the exercise of voting rights to the shares that the IDG Funds hold in Titan Gas Holdings. Therefore they are deemed to have interest in the shares in which IDG-Accel Ultimate GP has interest.
18. Kingsbury is controlled as to 74.8% by Luo Yuping. By virtue of the acting in concert arrangement referred to in Note 14, Luo Yuping is deemed to have interest in the shares in which Titan Gas Holdings has interest.
19. Rich Harvest Worldwide Ltd. is controlled as to 100% by Zhang Chunhua. Under the SFO, Zhang Chunhua is deemed to have interests in the shares in which Rich Harvest Worldwide Ltd. has interest. Interest in such Shares include interest in 127,681,952 underlying Shares has interest through derivative interests in 127,681,952 Preferred Shares.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2017, being the date to which the latest published audited financial statements of the Group were made up.

5. QUALIFICATIONS OF EXPERT

The following are the qualifications of the expert who has given its opinion or advice which are contained in this circular:

Expert	Qualification
VBG Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

VBG Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter dated 16 August 2017 and the references to its name in the form and context in which they appear.

As at the Latest Practicable Date, VBG Capital was not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, VBG Capital did not directly or indirectly have any interest in any assets which had since 31 March 2017 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. MISCELLANEOUS

- (1) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (2) The Company's Hong Kong branch share registrar and transfer office is maintained by Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (3) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company at Suite 2302, Wing On Centre, 111 Connaught Road Central, Hong Kong during normal business hours on any weekday (Saturdays and public holidays excluded) from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
- (c) the annual reports of the Company for each of the three years ended 31 March 2017;
- (d) the 1st Deed of Amendment;
- (e) the 2nd Deed of Amendment;
- (f) the 3rd Deed of Amendment;
- (g) the Terms and Conditions;
- (h) the Subscription Agreement;
- (i) the letter of advice to the Independent Board Committee and the Independent Shareholders from VBG Capital dated 16 August 2017; and
- (j) this circular.

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of the Company will be held at United Conference Centre Limited — Room 4, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Friday, 1 September 2017 at 10 a.m. to consider and, if thought fit, pass the following resolution:

Unless otherwise indicated, capitalised terms used in this notice and the following resolution shall have the same meanings as those defined in the circular of the Company dated 16 August 2017 (the “**Circular**”).

ORDINARY RESOLUTION

“THAT:

The signing of the 3rd Deed of Amendment dated 15 August 2017, a copy of which has been produced to the SGM marked “A” and signed by the chairman of the SGM for identification purpose, the Proposed Amendments and the execution of the 3rd Deed of Amendment and any documents and agreements incidental thereto under the common seal of the Company by any two directors or any person appointed by the board of the Company on behalf of the Company be and are hereby confirmed, approved, authorized and ratified in all respect; and

Any two directors or any person appointed by the board of the Company be and is/are hereby authorized for and on behalf of the Company to execute (and, if necessary, affix the common seal of the Company to) any such other documents, instruments and agreements and to do any such acts or things as may be deemed by him/her/them in his/her/their absolute discretion to be necessary or incidental to, ancillary to or in connection with the matters contemplated in the 3rd Deed of Amendment and the Proposed Amendments.”

By Order of the Board
IDG Energy Investment Group Limited
Wang Jingbo
Chairman and Chief Executive Officer

Hong Kong, 16 August 2017

* *For identification purposes only*

NOTICE OF SGM

Notes:

- a. A member entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
- b. A form of proxy for use for the aforesaid purpose will be delivered forthwith together with a copy of this original notice to the registered address of the members entitled to vote at the Meeting. In order to be valid, the said form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting or any adjourned Meeting at which the person named in such instrument proposes to vote.
- c. Whether or not you propose to attend the Meeting in person, you are strongly urged to complete and return the said form of proxy in accordance with the instructions printed thereon. Completion and return of such form of proxy will not preclude you from attending the Meeting and voting in person if you so wish (in which case any appointment of proxy for the purpose of the Meeting will be deemed to be revoked).
- d. For joint registered holders of any share attending the Meeting on the same occasion, the vote of the holder whose name stands first on the register who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- e. As at the date hereof, the board of the directors of the Company 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.