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## PROPOSED CHANGE OF AUDITORS

The Board proposes to appoint Horwath as new auditors of the Company to fill the vacancy following the resignation of CCIF CPA Limited with effect from 28 November 2007. The appointment of Horwath as auditors of the Company is subject to the approval of the shareholders of the Company at the EGM pursuant to the articles of association of the Company.

The board of directors (the “Board”) of China Energy Development Holdings Limited (the “Company”) hereby announces that CCIF CPA Limited resigned as auditors of the Company and its subsidiaries with effect from 28 November 2007 as the Board and CCIF CPA Limited could not reach a consensus on the audit fees for the year ended 31 December 2007.

In the resignation letter dated 28 November 2007 issued by CCIF CPA Limited to the Board and the Audit Committee of the Company, CCIF CPA Limited confirmed that there are no circumstances in respect of their resignation that they considered should be brought to the attention of the shareholders and creditors of the Company. Both the Board and the Audit Committee of the Company confirm that there are no circumstances in respect of the change of auditors which they considered should be brought to the attention of the shareholders of the Company.

The Board has resolved to propose to appoint Shu Lun Pan Horwath Hong Kong CPA Limited (“Horwath”) as auditors of the Company to fill the causal vacancy following the resignation of CCIF CPA Limited and to hold office until the conclusion of the next annual general meeting of the Company. The appointment of Horwath as the auditors of the Company is subject to the approval of Shareholders at the extraordinary general meeting (“EGM”). A circular, containing details of the change of auditors and the notice of the EGM, will be dispatched to the shareholders of the Company in due course.

By order of the Board  
**China Energy Development Holdings Limited**  
**Chui Kwong Kau**  
*Executive Director*

Hong Kong, 29 November, 2007

*As at the date of this announcement, the Board comprises Mr. Tong Seak Kan, Mr. Chan Shi Yung, Mr. Chui Kwong Kau, Mr. Chan Wai Keung, Mr. Chang Kuo Tien and Mr. Wang Xiang Jun as executive Directors and Mr. Chang Kin Man, Mr. Ip Wing Lun and Mr. Zhong Yuan as independent non-executive Directors.*

\* For identification purpose only