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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 228)

**(I) TERMINATION OF PLACING AGREEMENT; AND
(II) RESUMPTION OF TRADING**

Reference is made to the announcement of the Company dated 9 May 2014 in relation to, among other things, the Placing and the announcement of the Company dated 19 May 2014 in relation to the trading halt.

TERMINATION OF PLACING AGREEMENT

The Board announces that the Company has unilaterally terminated the Placing Agreement with immediate effect on 21 May 2014. Subsequent to the Termination, the Placing Agent may claim against the Company for fees and commission pursuant to the Placing Agreement.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 19 May 2014 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 22 May 2014 following the publication of this announcement.

Reference is made to the announcement of China Energy Development Holdings Limited (the “**Company**”) dated 9 May 2014 in relation to, among other things, the Placing and the announcement of the Company dated 19 May 2014 in relation to the trading halt (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meaning as defined in the Announcements unless the context requires otherwise.

* For identification purposes only

TERMINATION OF PLACING AGREEMENT

The Board announces that the Company has unilaterally terminated the Placing Agreement with immediate effect on 21 May 2014 (the “**Termination**”). Subsequent to the Termination, the Placing Agent may claim against the Company for fees and commission pursuant to the Placing Agreement. No new Shares will be issued by the Company under the Placing Agreement accordingly.

The Board believes that despite the potential risk of litigation, the Termination has no material adverse financial impact on the existing business and financial position of the Group. The Board is of the view that it would be more beneficial to the Company and the Shareholders as a whole if the new investors are to come from the energy sectors, than otherwise through the Placing. The Company will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules as and when appropriate.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 19 May 2014 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 22 May 2014 following the publication of this announcement.

By order of the Board
China Energy Development Holdings Limited
Zhao Guoqiang
Chief Executive Officer & Executive Director

Hong Kong, 21 May 2014

As at the date of this announcement, the Board comprises Mr. Zhao Guoqiang, Mr. Chui Kwong Kau, Mr. Zhang Zhenming and Mr. Huang Changbi as executive directors; and Mr. Fu Wing Kwok, Ewing, Mr. Sun Xiaoli and Mr. Wang Yongguang as independent non-executive directors.