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Up Energy Development Group Limited
優派能源發展集團有限公司*

(In Provisional Liquidation (For Restructuring Purposes))

(Incorporated in Bermuda with limited liability)

(Stock code: 307)

ANNOUNCEMENT IN RESPECT OF
(1) ADJOURNMENT OF BERMUDA HEARING
(2) ENTERING INTO A PLACING AGREEMENT
AND
(3) UPDATE ON THE STATUS OF THE FULFILLMENTS OF THE
RESUMPTION CONDITIONS

This announcement is made by Up Energy Development Group Limited (In Provisional Liquidation (For Restructuring Purposes)) (the “**Company**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

References are made to the announcements of the Company dated 31 March 2016, 23 May 2016, 7 July 2016, 10 July 2016, 25 August 2016, 13 September 2016, 21 September 2016, 26 September 2016, 13 October 2016, 17 October 2016, 24 October 2016, 3 November 2016, 29 November 2016, 7 December 2016, 22 February 2017, 23 February 2017, 6 March 2017, 26 April 2017, 23 May 2017, 2 October 2017, 20 October 2017, 27 October 2017, 28 November 2017, 12 March 2018, 18 April 2018 and 5 June 2018 respectively (collectively, the “**Announcements**”) in relation to, among other things, the appointment of the Joint Provisional Liquidators of the Company (the “**JPLs**”). Capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcements unless the context requires otherwise.

ADJOURNMENT OF BERMUDA HEARING

On 27 July 2018 (Bermuda time), the Supreme Court of Bermuda ordered that, among other things, the Bermuda winding-up petition hearing be further adjourned to 24 August 2018 (Bermuda time).

ENTERING INTO A PLACING AGREEMENT

The Company has entered into a conditional placing agreement with SBI China Capital Financial Services Limited (“**SBI**”) on 18 May 2018 appointing the latter as an agent for the Company to procure subscriptions for the shares of the Company subject to the terms and

** For identification purposes only*

conditions contained therein. A separate announcement will be issued in due course in this regard.

SBI is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

UPDATE ON THE STATUS OF THE FULFILLMENTS OF THE RESUMPTION CONDITIONS

As mentioned in the announcement of the Company dated 18 April 2018, the Company has lodged a written request to the Listing (Review) Committee of the Stock Exchange for reviewing the Committee Decision on 13 April 2018. The Company was informed by Listing (Review) Committee that the review hearing is fixed on 22 August 2018.

As stated in the announcement of the Company dated 28 November 2017, the Listing Department has decided to place the Company into the third delisting stage under Practice Notice 17 to the Listing Rules and the Company should provide a viable resumption proposal to the Listing Department to (i) demonstrate the Company has sufficient level of operations or assets of sufficient value as required under Rule 13.24 of the Listing Rules; (ii) publish all outstanding financial results and address audit qualifications (if any); and (iii) have the winding petitions against the Company (and its subsidiaries), where applicable, withdrawn or dismissed and the provisional liquidator discharged (collectively the “**Resumption Conditions**”).

The Company has been actively undertaking the necessary actions to fulfill the Resumption Conditions.

The Group’s coking plant has been in continuous operation since November 2017. The Group has been actively in discussion with various parties to resume the construction of the Group’s mines in the northern region of Xinjiang province, the PRC, namely Xiaohuangshan mine, Quanshuigou Mine and Shizhuanggou Mine (collectively the “**Three Mines**”). The progress has been positive. For example, a number of mine developers have indicated their interests and submitted their proposals for the development of the Xiaohuangshan Mine. In addition, a memorandum of understanding has been entered into between the Company and a major state-owned enterprise to develop the Three Mines and their respective auxiliary plants. Further announcement(s) will be made as and when appropriate.

The Company has been actively undertaking the necessary actions to facilitate the preparation and publication of the annual results and annual reports for the years ended 31 March 2016, 2017 and 2018, the interim results and interim reports for the six months ended 30 September 2016 and 2017.

The Company has also been actively communicating with the creditors on the restructuring of the Company’s liabilities and working with its legal advisers to formulate the scheme of arrangement. Applications will be made to the Supreme Court of Bermuda and High Court of Hong Kong SAR for directions to convene the meeting of creditors for considering and approving the scheme of arrangement, when appropriate.

Should there be any material developments, the Company will update the shareholders of the Company and potential investors when and as appropriate by publishing further announcement(s).

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 9:00 a.m. on 30 June 2016. Trading in the Shares will remain suspended until further notice.

**For and on behalf of
Up Energy Development Group Limited
(In Provisional Liquidation (For
Restructuring Purposes))**

**Osman Mohammed Arab
Roy Bailey
Lai Wing Lun**
*Provisional Liquidators
who act without personal liability*

Hong Kong, 1 August 2018

As at the date of this announcement, the Board of Directors comprises Mr. Wang Chuan, Mr. Zhang Li and Mr. Zheng Yuan as Executive Directors; and Mr. Chui Man Lung, Everett, Mr. Li Bao Guo, Mr. Liu Yongshun, and Mr. Wu Yanfeng as Independent Non-executive Directors. The names of the Board members referred hereto are based on the latest register of directors of the Company. For the avoidance of doubt, the composition of the Board is a matter in dispute as Mr Gao Shufang (subsequently resigned with effect from 30 September 2017) and Mr Ji Lianming claimed themselves being appointed as Executive Directors whereas Mr Chan Ming Sun Jonathan, Mr Lee Chi Hwa, Joshua and Mr Mak Yiu Tong claimed themselves to be appointed as Independent Non-executive Directors in replacement of the entire Board members in a SGM held on 25 April 2017.