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**UP ENERGY**  
**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) THIRD DELISTING STAGE AND RESUMPTION CONDITIONS**  
**(2) UPDATE ON THE STATUS OF THE FULFILLMENT OF THE RESUMPTION**  
**CONDITIONS**  
**(3) ADJOURNMENT OF BERMUDA HEARING**  
**AND**  
**(4) ADJOURNMENT OF HONG KONG HEARING**

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, 5 June 2018 and 1 August 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.

**THIRD DELISTING STAGE AND RESUMPTION CONDITIONS**

On 31 August 2018, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) issued a letter to inform the Company that the Stock Exchange has placed the Company into the third delisting stage under Practice Note 17 to the Listing Rules on 11 September 2018. The Company is required to submit a viable resumption proposal at least 10 business days before the expiry of the third delisting stage on 10 March 2019 (i.e. 25 February 2019), to address the following resumption conditions:

- (i) demonstrate the Company has sufficient level of operations or assets of sufficient value

*\* For identification purposes only*

under Rule 13.24;

- (ii) publish all outstanding financial results and address audit qualifications (if any); and
- (iii) have the winding up petitions against the Company (and its subsidiaries), where applicable, withdrawn or dismissed and the provisional liquidator discharged.

(collectively the “**Resumption Conditions**”)

The Stock Exchange may modify any of the above and/or impose further conditions if the situation changes.

The Stock Exchange stated that they intend to cancel the Company’s listing if the Company does not provide a viable resumption proposal before the end of the third delisting stage (i.e. 10 March 2019).

### **UPDATE ON THE STATUS OF THE FULFILLMENT OF THE RESUMPTION CONDITIONS**

Referring to the announcement dated 1 August 2018, the Company, with the efforts and support of Kaisun Consulting Limited (a subsidiary of Kaisun Holdings Limited (stock code: 8203)) (“**KCS**”), has entered into a memorandum of understanding with a major state-owned enterprise namely China Energy Engineering Group Northwest Power Construction Engineering Company Limited (“**NPCE**”) (a subsidiary of China Energy Engineering Corporation Limited (stock code: 3996)) to develop Xiaohuangshan Mine, Quanshuigou Mine and Shizhuanggou Mine (collectively the “**Three Mines**”) and the auxiliary plants. The Company has subsequently entered into an EPC master construction project framework agreement and a project service agreement with NPCE setting out the roles and responsibilities of the parties during the constructions of the mines and the auxiliary plants. In early September 2018, with the efforts and support of NPCE and KCS, a subsidiary of the Company has further entered into a construction agreement with a top tier mine building contractor to develop the Xiaohuangshan Mine. An application for the resumption of the construction of Xiaohuangshan Mine has also been submitted to the local authorities in early September 2018. It is expected that the approval can be obtained in the next few weeks and the construction of the Xiaohuangshan Mine will be resumed once the approval is obtained.

The above developments represent substantial achievements and milestones towards the successful restructuring of the Company and the satisfaction of the Resumption Conditions given that the construction of the mines of the Company will finally be resumed after more than two years of suspension. In addition, under the said agreements, the Company will be provided with funding and/or fund management services for the construction of the mines and the plants indirectly owned by the Company, which will ease the funding requirements of the Company in the developments of these mines, being one of the major obstacles for the restructuring of the Company and satisfaction of the Resumption Conditions. These arrangements also indicate that experienced industry participants have significant confidence in the Company’s assets and its operations.

As stated in the announcement of the Company dated 1 August 2018, the Group's coal coking plant has been in continuous operation since November 2017. The coal coking plant has continued to operate as usual since the said announcement.

The Company is also making progress in the preparation and the 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. In addition, the Company has also engaged qualified professional parties to prepare and/or update the valuation and/or technical reports of the Three Mines in order to provide updated information to the Stock Exchange.

As none of the abovementioned new developments of the Company were included in the previous resumption proposal, these new developments have not therefore been considered by the Stock Exchange when it made its decision to place the Company into the third delisting stage under Practice Note 17 to the Listing Rules. The Company, after consultation with its Financial Adviser and lawyers, will submit a fresh resumption proposal including these updates and additional forthcoming developments in the next two to three months. The Company remains confident that the recent developments and the new information will substantially enhance the contemplated new resumption proposal. Subject to the continued successful progress of the other restructuring efforts in fulfilling the other Resumption Conditions, the contemplated new resumption proposal will likely satisfy the resumption requirements imposed by the Stock Exchange.

Further announcement(s) will be made by the Company to inform the public of any further material developments of the Company as and when appropriate pursuant to the requirements of the Listing Rules.

#### **ADJOURNMENT OF BERMUDA HEARING**

On 24 August 2018 (Bermuda time), the Supreme Court of Bermuda directed that the Bermuda winding-up petition hearing be further adjourned to a date yet to be fixed.

#### **ADJOURNMENT OF HONG KONG HEARING**

By the joint application of the JPLs and the Hong Kong Petitioner, the adjourned hearing of the Hong Kong winding-up petition scheduled for 17 September 2018 was vacated and further adjourned by the High Court of Hong Kong to 17 December 2018.

#### **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, 12 September 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.*