

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Energy Development Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy 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 or the transferee.

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**GENERAL MANDATES TO ISSUE AND TO BUY-BACK SHARES,
RE-ELECTION OF DIRECTORS,
APPOINTMENT OF AUDITOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the “AGM”) of the Company to be held at 15/F, 8 Wyndham Street, Central, Hong Kong on Thursday, 20 June 2019 at 2:30 p.m. is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the AGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit at the Company’s Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

* For identification purpose only

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 15/F, 8 Wyndham Street, Central, Hong Kong, on Thursday, 20 June 2019 at 2:30 p.m. or any adjournment thereof to consider and, if appropriate, to approve the resolutions as set out in the AGM Notice
“AGM Notice”	the notice convening the AGM which is set out on pages 13 to 16 of this circular
“Articles of Association”	the Articles of Association of the Company
“associates”	having the meaning ascribed thereto under the Listing Rules
“BDO”	BDO Limited
“Board”	the board of Directors
“Buy-back Mandate”	the mandate proposed to be granted to the Directors to exercise the power of the Company to buy-back Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of Resolution 4B as set out in the AGM Notice
“Company”	China Energy Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange with stock code: 228
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Extended Issue Mandate”	the mandate proposed to be granted to the Directors to extend the Issue Mandate by the addition thereto the number of Shares repurchased by the Company pursuant to the Buy-back Mandate, as set out in Resolution 4C of the AGM Notice
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	the mandate proposed to be granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of Resolution 4A as set out in the AGM Notice
“Latest Practicable Date”	14 May 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of par value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“ZHONGHUI ANDA”	ZHONGHUI ANDA CPA Limited, the proposed new auditor of the Company
“%”	per cent

LETTER FROM THE BOARD



CHINA ENERGY DEVELOPMENT HOLDINGS LIMITED
中國能源開發控股有限公司*
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 228)

Executive Directors:

Mr. Zhao Guoqiang (*Chief Executive Officer and
alternate director to Dr. Gu Quan Rong*)

Non-executive Director:

Dr. Gu Quan Rong

Independent Non-executive Directors:

Mr. Zong Ketao

Mr. Cheng Chun Ying

Mr. Lee Man Tai

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Units 5611-12, 56th Floor
The Center
99 Queen's Road Central
Central, Hong Kong

17 May 2019

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND TO BUY-BACK SHARES,
RE-ELECTION OF DIRECTORS,
APPOINTMENT OF AUDITOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the ordinary resolutions to be proposed at the AGM to approve, inter alia: (a) the Issue Mandate, the Buy-back Mandate and the Extended Issue Mandate; (b) the re-election of Directors; and (c) the proposed appointment of ZHONGHUI ANDA as the Company's new auditor.

This circular contains the explanatory statement and gives all the information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions proposed at the AGM.

* For identification purposes only

LETTER FROM THE BOARD

A notice convening the AGM setting out the details of the resolutions to be proposed at the AGM is set out on pages 13 to 16 of this circular.

GENERAL MANDATE TO ISSUE SHARES

Resolution 4A as set out in the AGM Notice will be proposed at the AGM as an ordinary resolution to grant to the Directors the Issue Mandate to allot, issue and deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of such resolution. The Issue Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either conditionally or unconditionally at such meeting; and (ii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the Company had 9,505,344,000 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Issue Mandate and on the basis that no further Shares are issued and/or bought-back by the Company between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Issue Mandate to allot and issue up to 1,901,068,800 new Shares, being 20% of the Shares in issue as at the date of the passing of such resolution.

GENERAL MANDATE TO BUY-BACK SHARES

Resolution 4B as set out in the AGM Notice will be proposed at the AGM as an ordinary resolution to grant to the Directors the Buy-back Mandate to buy-back Shares of up to 10% of the issued share capital of the Company as at the date of passing of such resolution. The Buy-back Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company unless the mandate is renewed either conditionally or unconditionally at such meeting; and (ii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement containing all relevant information relating to the Buy-back Mandate is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Buy-back Mandate at the AGM.

THE EXTENDED ISSUE MANDATE

Resolution 4C as set out in the AGM Notice will be proposed at the AGM as an ordinary resolution such that the number of shares in the which are bought-back by the Company under the Buy-back Mandate shall be added to the number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Article 86(3) of the Articles of Association states that: *“The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.”*

Article 87(1) of the Articles of Association states that: *“Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.”*

Article 87(2) of the Articles of Association states that: *“A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Article 86(2) or Article 86(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.”*

Pursuant to the relevant provisions in the Articles of Association of the Company, Mr. Zhao Guoqiang and Mr. Lee Man Tai (collectively, the “**Re-electing Directors**”) will retire at the AGM and be eligible for re-election at the AGM. The Board was notified by each of the Re-electing Directors that he will offer himself for re-election at the AGM.

The Nomination Committee of the Company has reviewed and assessed the background, expertise and experience of the retiring Directors, having regard to the Board Diversity Policy of the Company taking into consideration different diversity factors such as gender, age, cultural and educational background, skills and professional experience, knowledge, length of service and time devotion. The Nomination Committee recommends all Directors retiring at the upcoming AGM to stand for re-election.

Details of the Re-electing Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE BOARD

APPOINTMENT OF AUDITOR

As disclosed in the Company's announcement dated 10 May 2019, the audit committee of the Company (the "**Audit Committee**") and the Board consider that it is good corporate governance practice to review the audit arrangement from time to time. As BDO has acted as the Company's auditor for 10 years since June 2009, upon the recommendation of the Audit Committee, the Board has resolved to propose the appointment of ZHONGHUI ANDA as the new auditor of the Company at the AGM in replacement of BDO. In this regard, BDO has also notified the Board and the Audit Committee in writing of their intention not to seek re-appointment as the auditor of the Group at the forthcoming AGM. Accordingly, BDO will retire as the auditor of the Group upon the conclusion of the AGM and subject to the approval by the Shareholders of Resolution 3 set out in the AGM Notice, ZHONGHUI ANDA will hold office as the Group's auditor until the next annual general meeting of the Company.

The Board and the Audit Committee confirm that to the best of their understanding and knowledge, there are no matters regarding the retirement of BDO which need to be brought to the attention of the holders of securities of the Company. BDO has also provided its confirmation to the Board and the Audit Committee to confirm that from their perspective, there are no matters which need to be brought to the attention of the holders of securities of the Company.

AGM

The AGM Notice is set out on pages 13 to 16 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the granting of the Issue Mandate, the Buy-back Mandate, the Extended Issue Mandate, the re-election of Directors and the appointment of auditor of the Company.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of authority, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the meeting if so wished and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands). Pursuant to Article 67 of the Articles of Association, at any general meeting, a resolution put to the vote at the meeting shall be decided on a poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to the said provision of the Articles of Association.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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.

RECOMMENDATION

The Directors consider that the Issue Mandate, the Buy-back Mandate, the Extended Issue Mandate, the re-election of the Re-electing Directors and the appointment of ZHONGHUI ANDA as the Company's auditor are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions at the AGM.

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

This Appendix serves as an explanatory statement which is required by Rule 10.06 of the Listing Rules to be included in this circular concerning the Buy-back Mandate.

1. EXERCISE OF THE BUY-BACK MANDATE

As at the Latest Practicable Date, the issued share capital of the Company comprised 9,505,344,000 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Buy-back Mandate at the AGM and on the basis that no further Shares are issued or bought-back prior to the AGM, the Company would be authorised under the Buy-back Mandate to Buy-back a maximum of 950,534,400 Shares.

2. REASONS FOR BUY-BACK

The Directors consider that the Buy-back Mandate will provide the Company with the flexibility to make such buy-backs as and when appropriate and beneficial to the Company. Such bought-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders as a whole.

3. FUNDING OF BUY-BACK

In buy-back the Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of Hong Kong and the Cayman Islands. Any buy-backs by the Company may be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the buy-back or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital and, in the case of any premium payable on the buy-back, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if so authorised by the Articles of Association and subject to the Companies Law, out of capital.

4. IMPACT ON WORKING CAPITAL OR GEARING POSITION

There may be material adverse impact on the working capital or the gearing position of the Company (as compared with the position disclosed in the Company's audited accounts for the year ended 31 December 2018) in the event that the Buy-back Mandate is exercised in full. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make buy-backs pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and Articles of Association of the Company.

6. EFFECT OF TAKEOVERS CODE

If on the exercise of the power to buy-back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

In the event that any exercise of the Buy-back Mandate would, to the knowledge of the Directors, have such a consequence, the Directors have no present intention to exercise the Buy-back Mandate to such an extent as would trigger a mandatory offer obligation for any shareholder or group of shareholders.

The Directors have no present intention to exercise the Buy-back Mandate to such an extent as would result in the amount of Shares held by the public being reduced to less than 25% of the total issued shares of the Company.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any associate of any of the Directors has any present intention, in the event that the Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make buy-backs of Shares.

8. SHARE BUY-BACK MADE BY THE COMPANY

No Buy-backs of Shares have been made by the Company during the six months prior to the Latest Practicable Date, whether on the Stock Exchange or otherwise.

9. SHARE PRICES

During each of the past twelve months preceding the Latest Practicable Date, the highest and lowest trading prices of the Shares on the Stock Exchange are as follows:

Month	Highest Price (HK\$)	Lowest Price (HK\$)
2018		
April	0.083	0.073
May	0.083	0.074
June	0.089	0.076
July	0.084	0.070
August	0.190	0.072
September	0.136	0.098
October	0.138	0.111
November	0.120	0.083
December	0.108	0.073
2019		
January	0.110	0.088
February	0.105	0.080
March	0.137	0.092
April	0.179	0.118
May (up to the Latest Practicable Date)	0.173	0.132

The following sets out the details of the Re-electing Directors who, being eligible, offer themselves for re-election at the AGM pursuant to the Articles of Association:

BIOGRAPHICAL INFORMATION

Executive Director

Mr. Zhao Guoqiang (“Mr. Zhao”), aged 61, joined the Company as an executive director in December 2009 and was elected as the chief executive officer on 29 December 2009. He graduated from his study for Physics at Qufu Normal University. He has nearly 35 years of working experience in exploration and exploitation of petroleum industry. He acted as senior engineer in Sinopec Shengli Oilfield Company (“**Shengli Oilfield**”) and was awarded the Top-notch talent by Shengli Oilfield. Mr. Zhao was appointed as an alternative director to Dr. Gu Quan Rong on 29 June 2015.

Save as disclosed above, Mr. Zhao did not hold any directorship in any other listed public company in the past three years. Mr. Zhao has been the director of the Company’s subsidiaries including Famewood Limited, Zhong Neng Finance Limited, China Energy Resources Holdings Limited, Totalbuild Investments Limited, Joy Even International Limited, Sinochina Global Limited, Silverwise Limited, Totalbuild Investments Group (Hong Kong) Limited, Team Lucky Development Limited, Fortune Great Limited, Wealthy Goal Limited, United Prolific Securities Limited, Di Maria Limited and China Era Energy Power Investment (Hong Kong) Limited. Other than the relationship arising from him being an executive Director, Mr. Zhao is not related to any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Zhao has not entered into any service contract with the Company, nor has he been appointed for a specified length of service period. Mr. Zhao’s appointment is subject to retirement by rotation and eligibility for re-election pursuant to the Articles of Association. He will be entitled to a director’s fee to be determined by the Remuneration Committee with reference to his duties and responsibilities in the Company and the market benchmark. In the financial year ended 31 December 2018, Mr. Zhao received director’s emolument and other benefits in kind in the amount of HK\$1,482,000.

Independent Non-Executive Director

Mr. Lee Man Tai (“Mr. Lee”), aged 42, joined the Company as an independent non-executive director in January 2016. He graduated from Lingnan University, Hong Kong in 2000 with a bachelor’s degree in business administration and obtained a master’s degree in business administration in financial services from The Hong Kong Polytechnic University in 2010. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. He has over 17 years of professional experience in accounting and auditing. He worked in audit firms between 2000 and 2006, and has occupied the positions of chief financial officer, financial controller and company secretary of several listed companies in

Hong Kong between 2006 and 2016. He is an independent non-executive director of Progressive Path Group Holdings Limited (Stock code: 1581) which is listed on the Stock Exchange. He is also a representative for type 1 and 6 regulated activities under the SFO.

Save as disclosed above, Mr. Lee does not hold any positions with the Company or other members of the Company's group and did not hold any directorship in any other listed public company in the past three years. Other than the relationship arising from his being an independent non-executive director, Mr. Lee is not related to any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lee has not entered into any service contract with the Company nor has he been appointed for a specified length of service period but will be subject to retirement by rotation, and eligible for re-election pursuant to the Articles of Association. Mr. Lee will be entitled to director's fee to be determined by the Remuneration Committee with reference to his duties and responsibilities in the Company and the market conditions (subject to a maximum of HK\$120,000 per annum).

General

As at the Latest Practicable Date, save as disclosed above, none of the Re-electing Directors had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

Save as disclosed above, there are no other matters in relation to the afore-proposed re-elections that needed to be brought to the attention of the Stock Exchange or the Shareholders. There is no information relating to the Re-electing Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NOTICE OF AGM



NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Energy Development Holdings Limited (the “**Company**”) will be held at 15/F, 8 Wyndham Street, Central, Hong Kong on Thursday, 20 June 2019 at 2:30 p.m. to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions:

1. To receive, consider and adopt the audited financial statements and the reports of the directors and the auditors for the year ended 31 December 2018.
2. (A) To re-elect Mr. Zhao Guoqiang as an executive director;
(B) To re-elect Mr. Lee Man Tai as an independent non-executive director;
(C) To authorize the Board of Directors to fix the remuneration of each of the Directors.
3. To appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company and its subsidiaries and to authorize the board of directors to fix their remuneration.
4. As special business:
 - A. “**THAT:**
 - (a) subject to paragraph (c) and (d) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company (the “**Issue Mandate**”) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, securities convertible or exchangeable into shares or similar rights which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options, securities convertible or exchangeable into shares or similar rights, the making, issuing or granting of which might require the exercise of such power after the end of the Relevant Period;
 - (c) the number of shares allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or

* For identification purposes only

NOTICE OF AGM

(ii) the exercise of the subscription rights under the share option scheme of the Company or similar arrangement of the Company for the granting or issuance of Shares or rights to acquire Shares; or (iii) the exercise of rights of conversion or exchange under the terms of any convertible securities or exchangeable securities issued by the Company; or (iv) an issue of shares as scrip dividends pursuant to the memorandum and articles of association of the Company from time to time shall not exceed 20% of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

- (d) the Issue Mandate shall be limited by the applicable rules and requirements of the Stock Exchange as amended from time to time, including the restrictions for using the Issue Mandate to issue (i) securities convertible into new Shares for cash consideration, if the initial conversion price of such convertible securities is lower than the Benchmarked Price (as hereinafter defined) of the Shares at the time of the relevant placing; and (ii) warrants, options or similar rights to subscribe for new Shares or securities convertible into new Shares for cash consideration;
- (e) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company unless this authority is renewed either conditionally or unconditionally at such meeting; and
- (ii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).

“Benchmarked Price” means the higher of: (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and (b) the average closing price in the 5 trading days immediately prior to the earlier of: (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the Issue

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Mandate; (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and (iii) the date on which the placing or subscription price is fixed.”

B. “THAT:

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company (the “**Buy-back Mandate**”) to buy-back its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the number of shares of the Company bought-back by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company unless this authority is renewed either conditionally or unconditionally at such meeting; and
- (ii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. “**THAT** conditional upon resolutions nos. 4A and 4B above being passed, the number of shares of the Company which are bought-back by the Company under the Buy-back Mandate shall be added to the number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the Issue Mandate.”

Yours faithfully

By order of the Board

China Energy Development Holdings Limited

Zhao Guogiang

Chief Executive Officer & Executive Director

Hong Kong, 17 May 2019

NOTICE OF AGM

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is the holder of more than one share, more proxies to attend and, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (2) In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders, seniority being determined by the order in which names stand in the register of members of the Company.
- (3) Completion and return of the form of proxy will not preclude members from attending and voting in person at the annual general meeting or any adjournment and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) As at the date of this notice, the board of directors of the Company comprises Mr. Zhao Guoqiang (Chief Executive Officer and alternate director to Dr. Gu Quan Rong) as executive director; Dr. Gu Quan Rong as non-executive director; and Mr. Zong Ketao, Mr. Cheng Chun Ying and Mr. Lee Man Tai as independent non-executive directors.