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

If you have sold or transferred all your shares in China Huarong Energy Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA HUARONG ENERGY COMPANY LIMITED

中國華榮能源股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01101)

**PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES
AND
NOTICE OF THE 2021 ANNUAL GENERAL MEETING**

Resolutions will be proposed at the 2021 AGM (as defined on page 1 of this circular) of China Huarong Energy Company Limited to be held at 43/F, Shanghai Sungho Riverfront Centre, No. 899 Rui Ning Road, Xuhui District, Shanghai, the PRC on Thursday, 3 June 2021 at 9:30 a.m. to approve the matters referred to in this circular.

A notice convening the 2021 AGM is set out on pages 12 to 17 of this circular. A form of proxy for the 2021 AGM is also published on the respective websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.huarongenergy.com.hk>). Whether or not you intend to attend the 2021 AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as practicable, and in any event not less than 48 hours before the time appointed for holding the 2021 AGM or at any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2021 AGM or at any adjourned meeting (as the case may be) should you so wish.

22 April 2021

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DEFINITIONS

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

“2021 AGM”	the annual general meeting of the Company to be held at 43/F, Shanghai Sunglow Riverfront Centre, No. 899 Rui Ning Road, Xuhui District, Shanghai, the PRC on Thursday, 3 June 2021 at 9:30 a.m. or any adjournment thereof
“Articles of Association”	the amended and restated articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (2010 Revision) of the Cayman Islands and any amendments or other statutory modifications thereof
“Company”	China Huarong Energy Company Limited (中國華榮能源股份有限公司), an exempted limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01101)
“Director(s)”	the director(s) of the Company
“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 PRC
“Latest Practicable Date”	16 April 2021, being the latest practicable date for ascertaining certain information referred to in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the 2021 AGM to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Share Repurchase Resolution
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Share Repurchase Resolution”	the ordinary resolution referred to in item 5B of the notice of the 2021 AGM
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buybacks of the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time
“%”	per cent

LETTER FROM THE BOARD

CHINA HUARONG ENERGY COMPANY LIMITED
中國華榮能源股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01101)

Executive Directors:

Mr. CHEN Qiang *(Chairman and Chief Executive Officer)*

Mr. HONG Liang *(Chief Operating Officer)*

Ms. ZHU Wen Hua

Mr. NIU Jianmin

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. WANG Jin Lian

Ms. ZHOU Zhan

Mr. Lam Cheung Mau

Principal Place of Business in

Hong Kong:

Suites 1508–10

15/F, Shui On Centre

6–8 Harbour Road

Wanchai, Hong Kong

22 April 2021

To the Shareholders

Dear Sir or Madam,

PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES
AND
NOTICE OF THE 2021 ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the 2021 AGM and more information regarding certain ordinary resolutions to be proposed at the 2021 AGM, including but not limited to (a) the proposed re-election of the retiring Directors; and (b) the grant to the Directors of the proposed general mandate to issue new Shares and the Proposed Share Repurchase Mandate.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Mr. Chen Qiang, Ms. Zhu Wen Hua and Mr. Lam Cheung Mau are due to retire from the Board by rotation at the 2021 AGM in accordance with Article 16.18 of the Articles of Association.

All the retiring Directors, being eligible, offer themselves for re-election. Particulars of the retiring Directors proposed to be re-elected at the 2021 AGM which are required to be disclosed pursuant to Rule 13.74 of the Listing Rules are set out in Appendix I to this circular. The relevant resolution regarding the proposed re-election of the retiring Directors who offer themselves for re-election are set out as proposed resolution no. 2 in the notice of the 2021 AGM.

3. PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

An ordinary resolution will be proposed at the 2021 AGM to grant a general mandate to the Directors to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution which will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in the proposed resolution no. 5A in the notice of the 2021 AGM. In addition, an ordinary resolution to extend such general mandate by adding to it the number of Shares repurchased by the Company under the Proposed Share Repurchase Mandate will be proposed at the 2021 AGM as referred to in proposed resolution no. 5C in the notice of the 2021 AGM.

4. PROPOSED SHARE REPURCHASE MANDATE

An ordinary resolution will be proposed at the 2021 AGM to approve the grant of the Proposed Share Repurchase Mandate to the Directors to repurchase Shares representing up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the Share Repurchase Resolution. The Proposed Share Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in the proposed resolution no. 5B of the notice of the 2021 AGM. Shareholders should refer to the explanatory statement contained in Appendix II to this circular, which sets out further information in relation to the Proposed Share Repurchase Mandate.

5. VOTING BY POLL

All the resolutions set out in the notice of the 2021 AGM will be decided by poll in accordance with the Listing Rules and the Articles of Association. The chairman of the 2021 AGM will explain the detailed procedures for conducting a poll at the commencement of the 2021 AGM.

LETTER FROM THE BOARD

The poll results will be published on the Company's website at www.huarongenergy.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the conclusion of the 2021 AGM.

6. 2021 AGM

The notice of the 2021 AGM is set out on pages 12 to 17 of this circular. At the 2021 AGM, resolutions will be proposed to approve, inter alia, the re-election of the retiring Directors who offer themselves for re-election, the proposed general mandate to issue new Shares and the Proposed Share Repurchase Mandate.

A form of proxy for use at the 2021 AGM is accompanied with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as practicable and in any event, not less than 48 hours before the time appointed for holding the 2021 AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2021 AGM should you so wish.

7. RECOMMENDATION

The Directors consider that the proposed resolutions regarding, inter alia, the proposed re-election of the retiring Directors who offer themselves for re-election, the grant to the Director of the general mandate to issue new Shares and the Proposed Share Repurchase Mandate as set out in the notice of the 2021 AGM, are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions to be proposed at the 2021 AGM.

Yours faithfully,
For and on behalf of
China Huarong Energy Company Limited
CHEN Qiang
Chairman

The following are the biographical details of the retiring Directors proposed to be re-elected at the 2021 AGM:

(1) Mr. Chen Qiang

Chairman of the Board, Executive Director and Chief Executive Officer

Mr. Chen Qiang (“**Mr. Chen**”), aged 59, an executive Director, Chairman and chief executive officer of the Company. Mr. Chen joined the Group in 2004 and was appointed as an executive Director on 24 October 2010. He was further appointed as the Chairman with effect from 26 November 2012. He is also the chairman of our finance and investment committee, a member of our corporate governance committee and a member of our remuneration committee. He is responsible for overseeing the overall operations of the Group and is a director of a subsidiary of the Company. In 2002, Mr. Chen obtained his doctorate degree in naval architecture and ocean engineering from Harbin Engineering University (哈爾濱工程大學) and an MBA degree from China Europe International Business School (中歐國際工商學院). Mr. Chen obtained a master’s degree in professional accounting (EMPAcc) (專業會計碩士) from the Chinese University of Hong Kong and was awarded the CFO Qualifying Certificate from the Shanghai National Accounting Institute (上海國家會計學院) in 2010. He also obtained a bachelor’s degree in marine power engineering from Shanghai Jiao Tong University (上海交通大學) in 1982. He also completed the Rongsheng Global Leaders Program of the Wharton School of the University of Pennsylvania in October 2011. Mr. Chen once served as an assistant to the general manager and subsequently a deputy manager of Jiangnan Shipbuilding Group Co., Ltd. (江南造船集團有限公司). He was an executive deputy general manager and subsequently the vice-chairman to the board of directors and general manager of Shanghai Waigaoqiao Shipbuilding Co., Ltd. (上海外高橋造船有限公司), and was one of the founders of the company.

Mr. Chen is one of the experts on the national expert database of the PRC and was named as one of the “one hundred entrepreneurial talents” by the Jiangsu provincial government. In 2011, he was also a toptier chief scientist enrolled in the 4th “333 Talents Cultivation Project” of Jiangsu Province. In 2010, the prestigious Norwegian shipping magazine “TradeWinds” ranked him the 41st among the “100 Most Influential People in Shipping Today”. In 2012, Lloyd’s List ranked him the 88th among the “100 Most Influential People in Global Shipping Industry of 2012”. Mr. Chen enjoys special government allowances granted by the State Council and has won many domestic awards and has been granted many honorary titles, for example, the State Scientific and Technological Progress Second Class Award (國家科學技術進步二等獎) in 1990. Mr. Chan is a committee member of the Jiangsu Shipbuilding and Offshore Engineering Assessment Panel of Professional Qualification (江蘇省船舶與海洋工程高級專業技術資格評審會).

As at the Latest Practicable Date, Mr. Chen was interested in 41,200,000 Shares (representing 0.86% of the total issued share capital of the Company), of which Mr. Chen held a personal interest in share options to subscribe for 14,000,000 Shares; and 27,200,000 Shares are held by Boom Will Limited (Boom Will Limited is 100% directly beneficially owned by Mr. Chen). Mr. Chen entered into a service contract with the Company for a term of three years commencing on 24 October 2019. The total amount of emoluments payable to Mr. Chen under the service contract is RMB1,500,000 per annum, which was determined with reference to his experience, qualifications, duties and responsibilities in the Company as well as the current market conditions. He is also eligible to receive benefits in kind, contribution to pension plans, discretionary bonuses and share based payments.

(2) Ms. Zhu Wen Hua

Executive Director

Ms. Zhu Wen Hua (“**Ms. Zhu**”), aged 52, is an executive Director. Ms. Zhu was appointed as an executive Director on 31 December 2013. She is a member of our nomination committee. She has served as vice-chairman of Rongsheng Heavy Industries since May 2015. She served as an assistant supervisor of the supervisory audit department and a supervisor of the bidding control department of Rongsheng Heavy Industries, a subsidiary of the Company, since 2009 and January 2012 respectively. She also has served as an assistant to the president of Rongsheng Heavy Industries since October 2013. Since March 2014, she has served as vice-president of Rongsheng Heavy Industries, as well as head of the cost control department and director of the bidding office. She is also a director of certain subsidiaries of the Company. Ms. Zhu graduated from the Graduate School of the Shanghai University (上海大學研究生部) in May 2010 studying a professional postgraduate course in Management Science & Engineering. She also completed the Rongsheng Global Leaders Program of the Wharton School of the University of Pennsylvania in June 2012.

As at the Latest Practicable Date, Ms. Zhu held a personal interest in share options to subscribe for 900,000 Shares, representing approximately 0.02% of the total issued ordinary share capital of the Company. Ms. Zhu entered into a service contract with the Company for a term of three years commencing on 24 October 2019. The total amount of emoluments payable to Ms. Zhu under the service contract is RMB1,000,000 per annum, which was determined with reference to her experience, qualifications, duties and responsibilities in the Company as well as the current market conditions. She is also eligible to receive benefits in kind, contribution to pension plans, discretionary bonuses and share based payments.

(3) Mr. Lam Cheung Mau*Independent Non-executive Director*

Mr. Lam Cheung Mau (“**Mr. Lam**”), aged 64, is an independent non-executive Director of the Company. Mr. Lam was appointed as an independent non-executive Director on 18 November 2015. He is a member of each of the audit committee and the corporate governance committee of the Company. Mr. Lam has over 30 years of experience in the auditing and finance. He previously held various positions, as officers in the audit department of Hua Chiao Commercial Bank, in the corporate planning and budgeting division of the finance department of Bank of China (Hong Kong) and was an audit manager of Han’s Laser Technology Industry Group Co., Ltd. Mr. Lam graduated in 1982 from the accounting division of Xiamen University (廈門大學) with a bachelor’s degree in economics. Mr. Lam is currently an independent non-executive director of China Smarter Energy Group Holdings Limited (a company listed on the Stock Exchange) and a member of each of its audit committee, remuneration committee and nomination committee.

As at the Latest Practicable Date, Mr. Lam did not have any interests in the Shares within the meaning of Part XV at the SFO. Mr. Lam entered into an appointment letter with Company as an independent non-executive Director for a term of three years commencing from the date of the appointment on 16 November 2018. Mr. Lam was entitled a director’s fee amounting to RMB320,000 per annum under the terms of the appointment letter.

The total amount of the directors’ emoluments for the year ended 31 December 2020 received by each of the above Directors who stand for re-election at the 2021 AGM are set out in note 24 to the consolidated financial statements of the Company’s annual report for the year ended 31 December 2020. The Directors’ emoluments were determined by reference to Directors’ duties and responsibilities within the Group and the remuneration policy of the Company.

Save as disclosed above, as at the Latest Practicable Date, each of the Directors who stands for re-election at the 2021 AGM did not hold any directorships or major appointments in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO and did not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Each of Mr. Chen, Ms. Zhu and Mr. Lam has confirmed that there is no other information required to be disclosed pursuant to rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders pursuant to rule 13.51(2) of the Listing Rules.

The following is the explanatory statement required to be sent to the Shareholders under Rule 10.06(1)(b) of the Listing Rules to enable them to make an informed decision on whether to vote for or against the Share Repurchase Resolution to be proposed at the 2021 AGM.

1. SHARE REPURCHASE PROPOSAL

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 4,770,491,507 fully paid-up Shares. It is proposed that up to a maximum of 10 per cent. of the fully paid-up Shares in issue at the date of passing of the Share Repurchase Resolution may be repurchased by the Directors under the Proposed Share Repurchase Mandate. Subject to the passing of the Share Repurchase Resolution and on the basis that no further Shares are issued prior to the 2021 AGM, the Company would be allowed under the Proposed Share Repurchase Mandate to repurchase up to a maximum of 477,049,150 fully paid-up Shares during the proposed repurchase period.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Companies Law and the applicable laws of the Cayman Islands. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Companies Law.

The Directors propose that such repurchases of Shares would be appropriately financed by the Company's internal resources and/or available banking facilities. In the event that the Proposed Share Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements

contained in the annual report of the Company for the year ended 31 December 2020 and taking into account the financial position of the Company as at the Latest Practicable Date. However, the Directors do not propose to exercise the Proposed Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. DIRECTORS' UNDERTAKING AND CONNECTED PERSONS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, the exercise of the power of the Company to make repurchases pursuant to the Proposed Share Repurchase Mandate will be in accordance with the Listing Rules, the Companies Law and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have a present intention, in the event that the Share Repurchase Resolution is approved by Shareholders, to sell Shares to the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares held by them to the Company, or have undertaken not to do so, in the event that Share Repurchase Resolution is approved by the Shareholders.

5. EFFECT OF TAKEOVERS CODE AND PUBLIC FLOAT REQUIREMENTS

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a repurchase of Shares, any such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders' interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Action Phoenix Limited and Castle Giant Investments Limited, being the wholly owned subsidiaries of Skyline Asia International Limited, the single largest beneficial shareholder of the Company, held 1,150,000,000 Shares and 270,120,000 Shares, respectively, representing in aggregate 1,420,120,000 Shares or approximately 29.77% of the voting rights attaching to the issued share capital of the Company.

Based on such interests in the Shares and in the event that the Directors exercise in full the power to repurchase Shares under the Proposed Share Repurchase Mandate and assuming that no further Shares are issued or repurchased prior to the 2021 AGM, the interests of Skyline Asia International Limited, together with the parties acting in concert with it will be increased to approximately 33.08% of the total number of Shares in issue. On the basis of the current shareholding of the Company, an exercise of the Proposed Share Repurchase Mandate in full will result in Skyline Asia International Limited becoming obliged to make a mandatory offer under Rule 26 of the Code. The Directors have no intention to exercise the Proposed Share Repurchase Mandate to such extent that would give rise an obligation to them to make a mandatory offer under Rule 26 of the Code or result in the amount of Shares held by the public being reduced to less than 25%.

6. SHARE REPURCHASES MADE BY THE COMPANY

There was no repurchase of Shares made by the Company or any of its subsidiaries during the six months immediately preceding the Latest Practicable Date.

7. MARKET PRICES

The monthly highest and lowest prices at which the Shares were traded on the Stock Exchange during the twelve months preceding the Latest Practicable Date were as follows:

Year	Month	Highest Price	Lowest Price
		(per Share) HK\$	(per Share) HK\$
2020	April	0.082	0.063
	May	0.069	0.060
	June	0.078	0.062
	July	0.084	0.063
	August	0.099	0.066
	September	0.100	0.082
	October	0.100	0.085
	November	0.123	0.087
	December	0.119	0.102
	2021	January	0.135
February		0.161	0.101
March		0.150	0.110
April (from 1 April up to Latest Practicable Date)		0.144	0.115

NOTICE OF THE 2021 AGM

CHINA HUARONG ENERGY COMPANY LIMITED 中國華榮能源股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01101)

NOTICE IS HEREBY GIVEN that the 2021 annual general meeting (the “**2021 AGM**”) of China Huarong Energy Company Limited (the “**Company**”) will be held at 43/F, Shanghai Sunglow Riverfront Centre, No. 899 Rui Ning Road, Xuhui District, Shanghai, the PRC on Thursday, 3 June 2021 at 9:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company and the auditor of the Company for the year ended 31 December 2020.
2. To re-elect the following retiring directors:
 - (a) Mr. Chen Qiang as an executive director of the Company;
 - (b) Ms. Zhu Wen Hua as an executive director of the Company; and
 - (c) Mr. Lam Cheung Mau as an independent non-executive director of the Company.
3. To authorise the board of directors of the Company to fix the remuneration of all directors of the Company.
4. To re-appoint Crowe (HK) CPA Limited as the auditor of the Company and to authorise the board of directors of the Company to fix its remuneration.
5. To consider as special business, and if thought fit, pass the following resolutions as ordinary resolutions with or without amendments:

ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c) below and in substitution for all previous authorities, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or

NOTICE OF THE 2021 AGM

grant offers, agreements, options and other rights, or issue warrants and other securities including bonds, debentures and notes convertible into shares of the Company, which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company during the Relevant Period (as hereinafter defined) pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:
 - (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to option holders of shares in the Company; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or
 - (iv) any adjustment, after the date of grant or issue of any options, rights to subscribe or other securities referred to above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities; or

NOTICE OF THE 2021 AGM

(v) a specified authority granted by the shareholders of the Company in general meeting,

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution, and the said approval shall be limited accordingly; and

(d) 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;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; or
- (iii) the revocation, variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors of the Company to holders of shares in the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject in all cases to such exclusions 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 laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

NOTICE OF THE 2021 AGM

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to make repurchase of its own shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange (as the case may be) and the Code on Takeovers and Mergers of the Securities and Futures Commission of Hong Kong be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the authority pursuant to paragraph (a) above shall 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;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; or
- (iii) the revocation, variation or renewal of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF THE 2021 AGM

- C. “**THAT** conditional upon the passing of resolution nos. 5A and 5B, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot shares be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted by the resolution set out as resolution no. 5B, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By Order of the Board
China Huarong Energy Company Limited
Chen Qiang
Chairman

Hong Kong, 22 April 2021

Registered Office:

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

Principal Place of Business

in Hong Kong:
Suites 1508–10
15/F, Shui On Centre
6–8 Harbour Road
Wanchai, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the 2021 AGM is entitled to appoint one or more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. Where there are joint holders of shares, any one of such persons may vote at the 2021 AGM either personally or by proxy, in respect of such share(s) as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share(s) will alone be entitled to vote in respect thereof.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of that power of attorney or authority), must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the 2021 AGM (or at any adjournment thereof).

NOTICE OF THE 2021 AGM

4. The register of members of the Company will be closed from Monday, 31 May 2021 to Thursday, 3 June 2021 (both days inclusive), during which no transfers of shares will be effected. In order to be eligible to attend and vote at the 2021 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 28 May 2021.
5. All the proposed resolutions set out in this notice shall be decided by poll.

As at the date of hereof, the executive directors of the Company are Mr. CHEN Qiang (Chairman), Mr. HONG Liang, Ms. ZHU Wen Hua and Mr. NIU Jianmin; and the independent non-executive directors of the Company are Mr. WANG Jin Lian, Ms. ZHOU Zhan and Mr. LAM Cheung Mau.