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CHINA UNIENERGY GROUP LIMITED

中国优质能源集团有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1573)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 17 January 2017.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of CHINA UNIENERGY GROUP LIMITED (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 17 January 2017.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement was published by the Securities and Futures Commission (the “SFC”) on 6 February 2017 (the “SFC Announcement”).

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that as at 17 January 2017, 11 Shareholders held an aggregate of 174,356,000 shares of the Company (the “Shares”), representing 24.28% of the issued Shares. Such shareholding, together with 537,000,000 Shares (representing 74.79% of the issued Shares) held by 3 substantial Shareholders, represented 99.07% of the issued Shares as at 17 January 2017. Therefore, only 6,644,000 Shares (representing 0.93% of the issued Shares) were held by other Shareholders. As at 17 January 2017, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Lavender Row Limited ^(Note 1)	360,000,000	50.14
Noble Fox Holdings Limited ^(Note 2)	90,000,000	12.53
Moonfun Miracle Limited ^(Note 3)	87,000,000	12.12
A group of 11 Shareholders	174,356,000	24.28
Other Shareholders	<u>6,644,000</u>	<u>0.93</u>
Total	<u><u>718,000,000</u></u>	<u><u>100.00</u></u>

Note 1: Ms. Dai Ling is the sole legal owner of all the issued shares of Lavender Row Limited, holding such shares in trust for the benefit of Xu Family including her spouse, Mr. Xu Bo who is an executive Director and the chairman of the Company.

Note 2: The entire issued share capital of Noble Fox Holdings Limited is held by Mr. Xiao Zhijun, an executive Director.

Note 3: The entire issued share capital of Moonfun Miracle Limited is held by Mr. Ma Dang.

The Company was listed on the Main Board of the Stock Exchange on 13 July 2016 at the offer price of HK\$1.80 per Share. Share price of the Company closed at HK\$4.14 on its first day of listing.

Since 6 December 2016, Share price of the Company started to increase significantly and rose 72.7% from HK\$4.11 on 5 December 2016 to HK\$7.10 on 18 January 2017. Share price closed at HK\$6.59 on 3 February 2017, an increase of 266.1% from its offer price.

The information above is extracted from the SFC Announcement and the board (the “**Board**”) of directors of the Company (the “**Directors**”) has not independently verified such information (other than the shareholding held by Lavender Row Limited, Noble Fox Holdings Limited and Moonfun Miracle Limited based on the disclosure of interests filings with the Company). Please refer to the SFC Announcement for further details.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Directors after making all reasonable enquiries, the Directors confirm that not less than 25% of the issued Shares were held in public hands as at 17 January 2017 and the date of this announcement, and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on the Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By order of the Board
CHINA UNIENERGY GROUP LIMITED
Xu Bo
Chairman

Guiyang, People’s Republic of China
6 February 2017

As at the date of this announcement, the executive directors of the Company are Mr. Xu Bo, Mr. Wei Yue and Mr. Xiao Zhijun; and the independent non-executive directors of the Company are Mr. Jiang Chenglin, Mr. Choy Wing Hang William, Mr. Lee Cheuk Yin Dannis and Mr. Fu Lui.