

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

VOLUNTARY ANNOUNCEMENT RESOLVING OF HIGH SHAREHOLDING CONCENTRATION

Reference is made to the announcement of CHINA UNIENERGY GROUP LIMITED (the “**Company**”) dated 14 November 2017 (the “**Announcement**”) regarding the high concentration of shareholding. According to the Technical Notice dated 29 December 2016 published by Hang Seng Indexes Company Limited, it is required that the title of the Announcement should be “Resolving of High Shareholding Concentration” and the Company wishes to issue this announcement to comply with such requirement. The content of the Announcement has been reproduced in full below with no changes made:

“This is a voluntary announcement made by CHINA UNIENERGY GROUP LIMITED (the “**Company**”) in response to the announcement issued by the Securities and Futures Commission (the “**SFC**”) on 6 February 2017 (the “**SFC Announcement**”) in respect of the high concentration of shareholding of the Company and to inform the shareholders of the Company (the “**Shareholders**”) and potential investors on the up-to-date status of the shareholding structure of the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to remind the Shareholders and potential investors that, as stated in the SFC Announcement and on the website of the SFC, the information disclosed in the SFC Announcement only reflected the status of the Company’s shareholding structure as at the time mentioned in the SFC Announcement, i.e. 17 January 2017.

The Board has conducted an analysis of the shareholding structure of the Company. Based on the available information as at 31 October 2017, the Board is of the view that the high shareholding concentration issue of the Company as at 17 January 2017 as stated in the SFC Announcement has not persisted and there has been no concentration of its shareholding in the hands of a limited number of Shareholders.

AN UPDATE ON THE COMPANY'S SHAREHOLDING CONCENTRATION

Positions as at 17 January 2017

As disclosed in the SFC Announcement, 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.

The Board's own inquires

To enhance greater transparency on the Company's shareholding structure, the Board has conducted inquiries into the Company's shareholding structure (the “**Inquiries**”). To the best of the knowledge of the Board having made all reasonable inquiries and based on the information available, the Board wishes to update the Shareholders and potential investors on the shareholding structure of the Company as at 31 October 2017, which has been diversified as compared with the shareholding structure of the Company as at 17 January 2017.

Position as at 31 October 2017

To the best of the Board's knowledge and based on the results of the Inquiries, the Company's shareholding structure as at 31 October 2017 was as follows:

	Number of Shares held <i>(Shares)</i>	Approximate % of total number of issued Shares <i>(%)</i>
Lavender Row Limited <i>(Note 1)</i>	364,750,000	50.80
Noble Fox Holdings Limited <i>(Note 2)</i>	90,000,000	12.53
Moonfun Miracle Limited <i>(Note 3)</i>	28,000,000	3.90
A group of 53 individual Shareholders who held 1,000,000 Shares or more	195,330,000	27.21
A group of 7 corporate Shareholders who held 1,000,000 Shares or more	29,390,000	4.09
A group of 2 institutional Shareholders who held 1,000,000 Shares or more	3,102,000	0.43
Other Shareholders <i>(Note 4)</i>	7,428,000	1.04
Total	<u>718,000,000</u>	<u>100.00</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 Ms. Dai Ling and her spouse, Mr. Xu Bo who is an executive Director and the chairman of the Company, and their children.

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.

Note 4: Other Shareholders include Shareholders holding less than 1,000,000 Shares and those that cannot be individually identified under the Inquiries.

To further demonstrate the Company's shareholding is no longer concentrated, the Company has, based on the Inquiries, summarised the percentage of shareholding by its top Shareholders as at 31 October 2017 as follows:

	Approximate % of total number of issued Shares (%)
Top 14 Shareholders (<i>Note i</i>)	75.42
Top 20 Shareholders (<i>Note i</i>)	79.12

Note i: Three of the top Shareholders are Lavender Row Limited, Noble Fox Holdings Limited and Moonfun Miracle Limited.

The Company has been notified that since the date of the SFC Announcement, the number of Shares held by one of its substantial Shareholders, Moonfun Miracle Limited, has been significantly reduced from 12.12% of the then issued Shares as at 17 January 2017 to 3.90% as at 31 October 2017. Moonfun Miracle Limited is therefore no longer a substantial Shareholder of the Company as at the date of this announcement.

Since the issue of the SFC Announcement, the Company has made a concerted effort to broaden its shareholder base. The Company has formulated and implemented an investor relations plan, including developing Shareholders' communication channel, organising investor calls and meetings with investment institutions in Guiyang, the People's Republic of China to introduce the Company's business and development, inviting potential investors to visit the production coal mines and keeping continuous communication with them, increasing international banks/brokers covering the Company's securities, raising the Company's profile amongst the investment and financial community, agencies and institutional analysts, etc. The Board considers that these actions contributed to the broadening of the Company's shareholding base.

In addition, in the past six months, the closing prices of the Company's Shares were between HK\$4.83 and HK\$6.23. The Company considers that such movement was consistent with the market condition during that period. The Company's Shares have been traded at a relatively steady price and there has not been any major fluctuation in the Company's Share price above the overall market volatility in recent months.

In light of the above, the Company is of the view that any concern over its high shareholding concentration as described in the SFC Announcement has not persisted, and that Shareholders and potential investors shall refer to the information as disclosed in this announcement for the current status of the shareholding structure of the Company.”

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

Guiyang, People's Republic of China
22 January 2018

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.