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NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) of Up Energy Development Group Limited (the “**Company**”) will be held at Empire Room I, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong, on 13 February 2015 at 11:30 a.m. for the purpose of considering, and if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the proposed amendment of certain terms and conditions of Tranche A Convertible Notes (as defined in the Circular) (“**Amendments of Tranche A Convertible Notes Terms**”) as contained in the Deed of Amendment I (defined below), which in substance include an extension of the maturity date, the payment of interest and the change of the conversion price of Tranche A Convertible Notes, and the entering into of such Deed(s) of Amendment I by the Company and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified (details of the Amendment of Tranche A Convertible Notes Terms are set out in the circular of the Company dated 26 January 2015 (the “**Circular**”) and a copy of the deed of amendment I (the “**Deed of Amendment I**”) marked “A” and signed by the chairman of the meeting for the purpose of identification has been produced to the meeting) and that any Director be and is hereby authorised to execute, on behalf of the Company, such Deed of Amendment I and affix the Common Seal of the Company on such documents;

* *For identification purposes only*

- (b) the proposed amendment of certain terms and conditions of Tranche B Convertible Notes (as defined in the Circular) (“**Amendments of Tranche B Convertible Notes Terms**”) as contained in the Deed of Amendment II (defined below), which in substance include an extension of the maturity date, the payment of interest and the change of the conversion price of Tranche B Convertible Notes, and the entering into of such Deed(s) of Amendment II by the Company and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified (details of the Amendment of Tranche B Convertible Notes Terms are set out in the Circular and a copy of the deed of amendment II (the “**Deed of Amendment II**”) marked “B” and signed by the chairman of the meeting for the purpose of identification has been produced to the meeting) and that any Director be and is hereby authorised to execute on behalf of the Company, such Deed(s) of Amendment II and affix the Common Seal of the Company on such documents;
- (c) subject to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) consenting to the Amendments of Tranche A Convertible Notes Terms and the Amendments of Tranche B Convertible Notes Terms and that the Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares (as defined in the Circular), the issue of the Conversion Shares to the Noteholder(s) A (as defined in the Circular) and the Noteholder(s) B (as defined in the Circular) upon the exercise of the conversion rights attached to the Tranche A Convertible Notes and Tranche B Convertible Notes be and are hereby approved and confirmed;
- (d) the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate to allot and issue ordinary shares of HK\$0.20 each in the share capital of the Company (the “**Conversion Shares**”) at an amended conversion price of HK\$0.75 per Conversion Share (subject to adjustments according to the respective terms of the Tranche A Convertible Notes (as amended by the Amendments of Tranche A Convertible Notes Terms) and the Tranche B Convertible Notes (as amended by the Amendments of Tranche B Convertible Notes)) upon exercise of the conversion rights attaching to the Tranche A Convertible Notes and Tranche B Convertible Notes respectively in accordance with the terms and conditions of relevant Deed of Amendment I and Deed of Amendment II respectively;

(e) the Directors be and are hereby authorised to exercise all the powers of the Company and take all steps as might in their opinion be desirable, necessary or expedient to give effect to or in connection with the Deed of Amendment I and the Deed of Amendment II including without limitation to:

(i) the execution, amendment, delivery, submission and/or implementation of any further documents or agreements in relation to the Deed of Amendment I and the Deed of Amendment II and the issue and allotment of the Conversion Shares; and

(ii) the taking of all necessary actions to implement the transactions contemplated under the Deed of Amendment I and the Deed of Amendment II; and

2. **“THAT:**

the authorized share capital of the Company be an is hereby increased from HK\$1,200,000,000 divided into 6,000,000,000 shares of HK\$0.20 each to HK\$4,000,000,000 divided into 20,000,000,000 shares of HK\$0.20 each by the creation of an additional 14,000,000,000 shares of HK\$0.20 each.”

By Order of the Board
Up Energy Development Group Limited
Qin Jun
Chairman

Hong Kong, 26 January 2015

Notes:

- (a) A form of proxy for use at the meeting is enclosed herewith.
- (b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
- (c) Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one, or if he is the holder of two or more shares, more than one, proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (d) In order to be valid, the 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 such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.
- (e) Completion and delivery of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or at any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
- (f) Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
- (g) As required under Rule 13.39 of the Listing Rules, the ordinary resolution will be decided by way of poll.

As of the date of this announcement, the executive Directors of the Company are Mr. Qin Jun, Mr. Jiang Hongwen and Mr. Wang Chuan whilst the independent non-executive Directors of the Company are Mr. Chau Shing Yim, David, Mr. Li Bao Guo, Mr. Lien Jown Jing, Vincent and Dr. Shen Shiao-Ming.