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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 enclosed 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 2016 ANNUAL GENERAL MEETING**

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Resolutions will be proposed at the 2016 AGM (as defined on page 1 of this circular) of China Huarong Energy Company Limited to be held at Imperial Room II – IV, Mezzanine Floor, Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 3 June 2016 at 9:00 a.m. to approve the matters referred to in this circular.

A notice convening the 2016 AGM together with the form of proxy for use at the 2016 AGM are enclosed 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 2016 AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2016 AGM should you so wish.

30 April 2016

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## DEFINITIONS

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

|                           |   |
|---------------------------|---|
| “2016 AGM”                | the annual general meeting of the Company to be held at Imperial Room II – IV, Mezzanine Floor, Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 3 June 2016 at 9:00 a.m. or any adjournment thereof |
| “Articles of Association” | the amended and restated articles of association of the Company adopted by a special resolution passed on 24 October 2010 which became effective upon the Company’s listing on the Stock Exchange, 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), a limited liability company incorporated under the laws of the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange  |
| “controlling shareholder” | has the meaning ascribed to it under the Listing Rules  |
| “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” | 25 April 2016, 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   |
| “PRC”                     | the People’s Republic of China  |

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## DEFINITIONS

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|-------------------------------------|--|
| “Proposed Share Repurchase Mandate” | a general mandate proposed to be granted to the Directors at the 2016 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 a nominal value 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 2016 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 of the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time   |

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

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

Mr. HONG Liang

Mr. SEAN S J Wang (*Chief Financial Officer*)

Mr. WANG Tao

Mr. WEI A Ning

Ms. ZHU Wen Hua

*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:*

Unit 1201, Level 12

International Commerce Centre

1 Austin Road West

Kowloon, Hong Kong

30 April 2016

*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 2016 ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with the notice of the 2016 AGM and more information regarding certain ordinary resolutions to be proposed at the 2016 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.

**2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS**

Mr. Sean S J Wang, Mr. Wang Tao and Mr. Wei A Ning are due to retire from the Board by rotation at the 2016 AGM in accordance with Article 16.18 of the Articles of Association. Mr. Lam Cheung Mau shall hold office only until the 2016 AGM in accordance with Article 16.2 of the Articles of Association. All the retiring Directors, being eligible, offer themselves for re-election. Particulars of the retiring Directors

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## **LETTER FROM THE BOARD**

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proposed to be re-elected at the 2016 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 resolutions 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 2016 AGM.

### **3. PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES**

An ordinary resolution will be proposed at the 2016 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 2016 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 2016 AGM as referred to in proposed resolution no. 5C in the notice of the 2016 AGM.

### **4. PROPOSED SHARE REPURCHASE MANDATE**

An ordinary resolution will be proposed at the 2016 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 2016 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 2016 AGM will be decided by poll in accordance with the Listing Rules and the Articles of Association. The chairman of the 2016 AGM will explain the detailed procedures for conducting a poll at the commencement of the 2016 AGM.

The poll results will be published on the Company's website at [www.huarongenergy.com.hk](http://www.huarongenergy.com.hk) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the conclusion of the 2016 AGM.

### **6. 2016 AGM**

The notice of the 2016 AGM is set out on pages 12 to 16 of this circular. At the 2016 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.

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## LETTER FROM THE BOARD

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A form of proxy for use at the 2016 AGM is enclosed 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 2016 AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2016 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 Directors of the general mandate to issue new Shares and the Proposed Share Repurchase Mandate as set out in the notice of the 2016 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 2016 AGM.

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

The following are the biographical details of the four retiring Directors proposed to be re-elected at the 2016 AGM. Save for the information set out below, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of the following Directors who stand for re-election at the 2016 AGM.

**(1) Mr. Sean S J WANG (王少劍)**

*Executive Director and Chief Financial Officer*

Mr. Sean S J Wang, aged 52, is an executive Director and chief financial officer of the Company. Mr. Wang joined us in June 2010. He was appointed as an executive Director on 24 October 2010. He is also a member of our corporate governance committee and finance and investment committee. He is responsible for financial management, investor relations and public relations management. He has in-depth and extensive experience in enterprise management and funds operation. He also has many years of experience in financial operation and project management at various multinational firms listed on the New York Stock Exchange, NASDAQ and the Hong Kong Stock Exchange. Previously, he held the positions of president and chief operating officer of Hurray! Holding Limited, a company listed on NASDAQ. From June 2008 to May 2010, Mr Wang acted as an executive director and the chief financial officer of SOHO China Limited, a company listed on the Hong Kong Stock Exchange. Mr. Wang is also an independent non-executive director of Tomson Group Ltd., a company listed on the Stock Exchange. He received a “2010 Top 10 CFO of the Year in China” award from the “CFO World” Magazine. He studied economics at Peking University and later received a bachelor of science degree from Hamline University in 1986. He received his MBA degree from University of Minnesota in 1989. He also completed the Rongsheng Global Leaders Program of the Wharton School of the University of Pennsylvania in October 2011. As at the Latest Practicable Date, Mr. Wang held a personal interest in options to subscribe for 1,900,000 Shares, representing approximately 0.09% of the total issued share capital of the Company. Mr. Wang has entered into a service contract with the Company as an executive Director for a term of three years from 24 October 2013, pursuant to which he is entitled to a monthly basic salary of RMB291,667, a housing allowance of HK\$83,333 per month and other benefit-in-kind, and discretionary bonus, subject to annual review and approval by the Board.

**(2) Mr. WANG Tao (王濤)**

*Executive Director*

Mr. Wang Tao, aged 43, is an executive Director. Mr. Wang joined us in 2008 and was appointed as an executive Director on 24 October 2010. He is a member of our corporate governance committee. He is also a director of certain subsidiaries of the Company. Mr. Wang is primarily responsible for legal affairs. He obtained his bachelor’s degree in law from China University of Political Science and Law (中國政法大學) in 1994. Mr. Wang obtained his certificate in world economics from the Department of Economics of Renmin University of China (中國人民大學研究生院經濟學院) in 2005 and graduated from an advanced course in ship finance law (船舶融資法律實務高級研修班) from Shanghai Jiao Tong University (上海交通大學) in 2010. He also completed the Rongsheng Global Leaders Program of the Wharton School of the University of Pennsylvania in October 2011. From 1999 to 2008, Mr. Wang had held various positions in Shanghai Sun Glow Investment Group Co., Ltd. (上海陽光投資集團有限公司), namely, legal consultant, assistant to the president, vicepresident and assistant to the chairman of the board. Mr. Wang qualified as a lawyer in the PRC in 1999. As at the Latest Practicable Date, Mr. Wang held a personal interest in options



to subscribe for 2,151,000 Shares, representing approximately 0.10% of the total issued share capital of the Company. Mr. Wang has entered into a service contract with the Company as an executive Director for a term of three years from 24 October 2013, pursuant to which he is entitled to a monthly basic salary of RMB150,000 with discretionary bonus, subject to annual review and approval by the Board.

**(3) Mr. WEI A Ning (魏阿寧)**

*Executive Director*

Mr. Wei A Ning, aged 65, is an executive Director. Mr. Wei was appointed as an executive Director on 26 November 2012. Mr. Wei has served as the senior vice president of the Company since October 2012. He is a member of our nomination committee. He has also served as chief of the supervisory audit department of Jiangsu Rongsheng Heavy Industries Co., Ltd. (江蘇熔盛重工有限公司), a subsidiary of the Company, since June 2010. Mr. Wei is also a director of certain subsidiaries of the Company. Mr. Wei graduated from the Nanjing Political College of the Chinese People's Liberation Army (中國人民解放軍南京政治學院) in July 2001 majoring in economics and management. He also completed the Real Estate MBA Core Subjects program (房地產MBA核心課程高級研修班) offered by Shanghai Jiao Tong University in October 2008 and the Rongsheng Global Leaders Program of the Wharton School of the University of Pennsylvania in June 2012. Mr. Wei has served as the legal representative and executive director of China Yangguang Investment Group Co. Ltd. (中國陽光投資集團有限公司) since February 2008. As at the Latest Practicable Date, Mr. Wei held a personal interest in options to subscribe for 1,426,000 Shares, representing approximately 0.07% of the total issued share capital of the Company. Mr. Wei has entered into a service contract with the Company as an executive Director for a term of three years from 24 October 2013, pursuant to which he is entitled to a monthly basic salary of RMB150,000 with discretionary bonus, subject to annual review and approval by the Board.

**(4) Mr. LAM Cheung Mau (林長茂)**

*Independent Non-executive Director*

Mr. Lam Cheung Mau, aged 59, is an independent non-executive Director. Mr. Lam was appointed as an independent non-executive Director on 18 November 2015. He is a member of our audit committee and corporate governance committee. 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 with a bachelor's degree in economics. Mr. Lam entered into an appointment letter with the Company as an independent non-executive Director for a term of three years commencing from the date of appointment on 18 November 2015. Mr. Lam was entitled a director's fee amounting to HK\$30,000 per month under the terms of the appointment letter.

The total amount of the directors' emoluments for the year ended 31 December 2015 received by each of the above Directors who stand for re-election at the 2016 AGM are set out in note 30 to the consolidated financial statements of the Company's annual report for the year ended 31 December 2015. 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 2016 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 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. Sean S J Wang, Mr. Wang Tao, Mr. Wei A Ning and Mr. Lam Cheung Mau has confirmed that there is no other information required to be disclosed pursuant to rule 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 2016 AGM.

### **1. SHARE REPURCHASE PROPOSAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,171,591,507 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 2016 AGM, the Company would be allowed under the Proposed Share Repurchase Mandate to repurchase up to a maximum of 217,159,150 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 2015 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, Fine Profit Enterprises Limited and Wealth Consult Limited, both of which are directly or indirectly wholly-owned by Mr. Zhang Zhi Rong ("**Mr. Zhang**"), the single largest beneficial shareholder of the Company, held 387,436,231 Shares and 21,744,800 Shares, respectively, representing in aggregate 409,181,031 Shares or approximately 18.84% of the voting rights attaching to the issued share capital of the Company. If the Proposed Share Repurchase Mandate is exercised in full, which is considered by the Directors to be unlikely in the current circumstances, Mr. Zhang would (assuming that there is no change in the relevant shareholdings held by Mr. Zhang) beneficially hold in aggregate 409,181,031 Shares, representing approximately 20.94% of the voting rights attaching to the issued share capital of the Company. Such an increase would not trigger an obligation to make a general offer pursuant to the Takeovers Code. Accordingly, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Proposed Share Repurchase Mandate.

In addition, in exercising the Proposed Share Repurchase Mandate (whether in full or otherwise), the Directors will ensure that the Company complies with the requirements of the Listing Rules, including the minimum percentage of the Shares being held in public hands.

**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:

| <b>Year</b> | <b>Month</b>  | <b>Highest Price</b><br><i>(per Share)</i><br><i>HK\$</i> | <b>Lowest Price</b><br><i>(per Share)</i><br><i>HK\$</i> |
|-------------|---|---|--|
| 2015        | April   | 6.15  | 3.15   |
|             | May   | 5.5   | 4.2  |
|             | June  | 4.95  | 3.05   |
|             | July  | 3.45  | 1.55   |
|             | August  | 2.375   | 1.5  |
|             | September   | 1.825   | 1.45   |
|             | October   | 1.825   | 1.55   |
|             | November  | 1.65  | 1.45   |
| December    | 1.475   | 1.15  |  |
| 2016        | January   | 1.22  | 0.735  |
|             | February  | 1.325   | 0.99   |
|             | March   | 1.325   | 0.86   |
|             | April (from 1 April up to the<br>Latest Practicable Date) | 0.88  | 0.67   |

*Source: Stock Exchange*

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## NOTICE OF THE 2016 AGM

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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)**

**NOTICE IS HEREBY GIVEN** that the 2016 annual general meeting (the “**2016 AGM**”) of China Huarong Energy Company Limited (the “**Company**”) will be held at Imperial Room II – IV, Mezzanine Floor, Towers Wing, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 3 June 2016 at 9:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and the auditor for the year ended 31 December 2015.
2. To re-elect the following retiring directors:
  - (a) Mr. Sean S J Wang as a director of the Company;
  - (b) Mr. Wang Tao as a director of the Company;
  - (c) Mr. Wei A Ning as a director of the Company; and
  - (d) Mr. Lam Cheung Mau as a 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 PricewaterhouseCoopers 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 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;

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## NOTICE OF THE 2016 AGM

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- (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
  - (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;

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## NOTICE OF THE 2016 AGM

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- (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).”

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;



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- (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.”
- 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**  
**LEE Man Yee**  
*Company Secretary*

Hong Kong, 30 April 2016

*Registered Office:*

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

*Principal Place of Business*

*in Hong Kong:*  
Unit 1201, Level 12  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the 2016 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 2016 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.

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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 2016 AGM (or at any adjournment thereof).
4. The register of members of the Company will be closed from Tuesday, 31 May 2016 to Friday, 3 June 2016 (both days inclusive), during which no transfers of shares will be effected. In order to be eligible to attend and vote at the 2016 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 Monday, 30 May 2016.
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, Mr. Sean S J WANG, Mr. WANG Tao, Mr. WEI A Ning and Ms. ZHU Wen Hua; and the independent non-executive directors of the Company are Mr. WANG Jin Lian, Ms. ZHOU Zhan and Mr. LAM Cheung Mau.*