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**RESIGNATION AND APPOINTMENT OF  
INDEPENDENT NON-EXECUTIVE DIRECTOR  
AND  
MEMBER OF AUDIT COMMITTEE**

**RESIGNATION AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE  
DIRECTOR AND MEMBER OF AUDIT COMMITTEE**

The Board announces that:

Mr. Zhang has resigned from office as an independent non-executive director of the Company with effect from 29 June 2016. Following his resignation, Mr. Zhang ceased to be a member of the Audit Committee of the Company.

Mr. Chui has been appointed as an independent non-executive director and a member of the Audit Committee of the Company with effect from 30 June 2016.

**RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

The board of directors (the “**Board**”) of Up Energy Development Group Limited (the “**Company**”) announces that Mr. Zhang Xudong Alan (“**Mr. Zhang**”) has resigned as an independent non-executive director of the Company with effect from 29 June 2016. Following his resignation, Mr. Zhang ceased to be a member of the Audit Committee of the Company.

Mr. Zhang confirmed his resignation was due to the reason that his personal views and opinions in respect of the debt default situation and the potential reorganization of the Company has been increasingly different from the Chairman of the Company. The Board is of the view that this is a unilateral remark made by Mr. Zhang and not agreed upon previously by the Chairman of the Company. The Board has no knowledge of the particular views and opinions mentioned by Mr. Zhang. The Board would like to emphasize that in the formulation of the fundamental principles and methods in restructuring, the Board will strive to protect the maximization of interests of creditors and shareholders as a whole, and the core assets value and listing status of the Company.

\* For identification purpose only

Save as disclosed above, Mr. Zhang has confirmed that he has no material disagreement with the Board and there are no matters need to be brought to the attention of the shareholders of the Company and Stock Exchange.

The Board would like to express its sincere gratitude to Mr. Zhang for his valuable contribution to the Company during his tenure.

#### **APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Board is pleased to announce that Mr. Chui Man Lung, Everett (“**Mr. Chui**”) has been appointed as an independent non-executive director and a member of the Audit Committee of the Company with effect from 30 June 2016.

Mr. Chui, aged 52, is a Fellow Member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chui is also a Member of the Institute of Chartered Accountants in England and Wales. Mr. Chui became a qualified professional accountant in 1990 when he worked in the audit department of KPMG Hong Kong (main audit assignments included audit for the Bank of East Asia Limited, Overseas Trust Bank Limited (later sold to Dao Heng Bank Limited, which was eventually acquired by DBS Bank (Hong Kong) Limited) and China Petrochemical Corporation).

Mr. Chui is the founding director and shareholder of Cen-1 Partners Limited, an independent consultancy company specialized in financial engineering and corporate structuring. Mr. Chui holds the following positions of the companies listed on the Stock Exchange of Hong Kong Limited: (1) an independent non-executive director, chairman of audit committee and nomination committee and a member of remuneration committee of Taung Gold International Limited (Stock Code no: 0621); (2) an independent non-executive director and chairman of audit committee and a member of salary review committee and nomination committee of New Sports Group Limited (Stock Code no: 0299); and (3) an independent non-executive director and chairman of audit committee, remuneration committee and nomination committee of Sky Forever Supply Chain Management Group Ltd. (Stock Code no: 8047).

Mr. Chui was an independent non-executive director and chairman of audit committee of Mingyuan Medicare Development Company Limited (Stock Code no: 233) from September 2015 to May 2016; and an independent non-executive director and a member of audit committee of Duoyuan Printing, Inc., a company listed on New York Stock Exchange from October 2010 to March 2013. Mr. Chui was the Financial Controller and Company Secretary of Yau Lee Holdings Limited (Stock Code no: 0406), a company listed on the Stock Exchange of Hong Kong Limited, from February 1995 to May 2008. Mr. Chui is well experienced in the areas of finance, audit and accounting, and holds a Bachelor of Social Sciences in Business Economics & Accounting awarded by the University of Southampton in the United Kingdom.

Save as disclosed above, Mr. Chui did not hold any other directorship in any other listed public companies in the last three years.

Pursuant to the service agreement to be entered between the Company and Mr. Chui, the appointment of Mr. Chui is for a term of 2 years commencing from 30 June 2016 and shall be subject to retirement by rotation and re-election at annual general meetings in accordance with the Company's Bye-Laws. Mr. Chui will be entitled to a fee of HK\$ 26,620 per month in respect of his appointment. His emolument is determined having regard to the scope of responsibility and accountability and his experience and abilities, taking into consideration of the Company's performance and market practice and prevailing business conditions.

Mr. Chui confirmed that he meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirement of the provisions under Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with his appointment.

Taking this opportunity, the Board would like to express its warmest welcome to Mr. Chui for joining the Board.

By Order of the Board  
**Up Energy Development Group Limited**  
**Leung Wai Shun Wilson**  
*Company Secretary*

Hong Kong, 4 July 2016

*As at the date of this announcement, the Board comprises Mr. Qin Jun, Mr. Wang Chuan, Mr. Zhang Li and Mr. Zheng Yuan as Executive Directors; and Mr. Chui Man Lung, Everett, Mr. Li Bao Guo, Mr. Liu Yongshun, and Mr. Wang Dayong as Independent Non-executive Directors.*