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## **UNITED ENERGY GROUP LIMITED**

### **聯合能源集團有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)  
(Stock Code: 467)*

#### **CONNECTED TRANSACTION**

On 25 November 2016, the Company entered into the Shareholders Agreement with Orient Group and OGIHL to jointly incorporate Orient Art Beijing and Orient Art BVI for investment in China and Global market of artworks.

As each of the percentage ratios of the size test under the Listing Rules calculated with reference to the capital contribution to the incorporation of overseas companies with connected party is less than 5% for the Group, entering the Shareholders Agreement with connected party for incorporation of overseas companies is only subject to the reporting and announcement and is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

#### **SHAREHOLDERS AGREEMENT**

United Energy Group Limited (the "Company") is pleased to announce that the Company entered into the shareholder agreement with Orient Group Co., Ltd. ("Orient Group") and Orient Group Investment Holding Limited ("OGIHL") on 25 November 2016 ("Shareholders Agreement").

Pursuant to the Shareholders Agreement, the Company (or its subsidiary), Orient Group and OGIHL agreed to jointly incorporate Orient Art Limited ("Orient Art Beijing") in Beijing. The registered share capital of Orient Art Beijing is RMB 100,000,000 (equivalent to approximately HK\$113,000,000). The ratio of capital contribution and shareholdings of Orient Art Beijing are 40% for Orient Group, 40% for OGIHL and 20% for the Company. In this connection, the Company will have to contribute RMB 20,000,000 (equivalent to approximately HK\$22,600,000) as the share capital of Orient Art Beijing.

In the meantime, pursuant to the Shareholders Agreement, the Company (or its subsidiary), Orient Group Hong Kong International Trade Co., Ltd. ("Orient HK"), a wholly-owned subsidiary of Orient Group, and OGIHL (or its subsidiary) agreed to jointly incorporate Orient Art Limited ("Orient Art BVI") in British Virgin Islands. The registered share capital of Orient Art BVI is HK\$350,000,000. The ratio of capital contribution and shareholdings of Orient Art BVI are 40% for Orient Group, 40% for OGIHL and 20% for the Company. In this connection, the Company will have to contribute HK\$ 70,000,000 as the share capital of Orient Art BVI.

According to the Shareholders Agreement, the capital contribution by each party will be paid in cash and shall be paid by instalments according to the development of the business.

## **INFORMATION OF THE GROUP, ORIENT GROUP, OGIHL AND ORIENT HK**

The Company and its subsidiaries (collectively the “Group”) is currently principally engaged in upstream oil and natural gas business, including development of strategic energy reserves, focusing on the investment and operation of oil, natural gas and other energy related businesses. This is accomplished by the merger and acquisition of oil and natural gas assets; the exploration, development and production of crude oil and natural gas; and the provision of patented technologies supporting services to oilfields.

Orient Group is a limited liability company incorporated in China and is a company listed on the Shanghai Stock Exchange (SSE: 600811). Mr. Zhang Hong Wei is the chairman of the board of director of Orient Group and the ultimate shareholder of Orient Group, holding approximately 28.57% of the issued share capital of Orient Group.

OGIHL is a limited liability company incorporated in Beijing, China. Its ultimate substantial shareholder is Mr. Zhang Hong Wei who holds approximate 94% controlling shareholdings of OGIHL. As Mr. Zhang Hong Wei is the controlling shareholder and Director of the Company, OGIHL is treated as a connected party of the Company and entering the Shareholders Agreement with connected party for incorporation of Orient Art Beijing and Orient Art HK will constitute a connected transaction for the Company.

Orient HK is a limited liability company incorporated in Hong Kong. Its sole controlling shareholder is Orient Group.

As Mr. Zhang Hong Wei, the Chairman and Executive Director of the Company and her daughter, Ms. Zhang Meiyang, the Executive Director of the Company and both are deemed to have interest in this connected transaction, they have abstained from voting on the board resolution for approval of entering the Shareholders Agreement with connected party for incorporation of overseas companies.

## **REASONS FOR ENTERING THE SHAREHOLDERS AGREEMENT**

The Company (or its subsidiary), Orient Group, OGIHL (or its subsidiary) and Orient HK agreed to jointly incorporate Orient Art Beijing and Orient Art BVI for the purpose of promising the demand and market development potential of Chinese and global art investment market. The main purpose of the investment is to diversify the Company's investment business into the art market-related resource and to generate further investment income for the shareholders of the Company. It is conducive to further enhance the asset management and profitability of the Company. The capital contribution by each party of the Shareholders Agreement will be paid in cash and shall be paid by instalments according to the development of the business. The capital contribution by the Company will be provided by internal funds of the Company and will not have a material impact on the financial position, production and operation of the Company.

The directors of the Company, including the independent non-executive directors, are of the view that the Shareholders Agreement for the incorporation of overseas companies with connected party is fair and reasonable, on normal commercial arrangement and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As each of the percentage ratios of the size test under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) calculated with reference to the capital contribution to the incorporation of overseas companies with connected party is less than 5% for the Group, entering the Shareholders Agreement with connected party for incorporation of overseas companies is only subject to the reporting and announcement and is exempted from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

By Order of the Board  
**United Energy Group Limited**  
**Zhang Hong Wei**  
*Chairman*

Hong Kong, 25 November 2016

*As at the date of this announcement, the executive directors of the Company are Mr. Zhang Hong Wei (chairman), Mr. Zhu Jun and Ms Zhang Meiyong, and independent non-executive directors are Mr. Chau Siu Wai, Mr. San Fung and Mr. Zhu Chengwu.*