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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)*

### **MAJOR TRANSACTION**

### **ACQUISITION OF ALL ISSUED SHARES IN**

### **KUWAIT ENERGY PUBLIC LIMITED COMPANY**

### **BY WAY OF A SCHEME OF ARRANGEMENT**

#### **The Transaction**

On 23 September 2018, the Purchaser, the Company and the Target entered into the Transaction Agreement, pursuant to which the Purchaser, a wholly-owned subsidiary of the Company, has conditionally agreed to acquire all of the Target Shares by way of the Scheme for a consideration of up to US\$650,857,128.

The Target is incorporated and registered under Jersey law. It is principally an upstream oil and gas company with exploration, appraisal, development and production activities in a number of countries including Iraq, Egypt, Yemen and Oman.

The Transaction is to be implemented by way of a scheme of arrangement under Jersey law; which must be approved by the Requisite Majorities of the Target Shareholders at the Target GM and Court Meeting and sanctioned by the Court.

The Target Board has undertaken to give a unanimous unqualified recommendation to the Target Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the Target GM Resolutions at the Target GM.

#### **Listing Rules Implications**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Transaction exceed 25% but are less than 100%, the Transaction constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements (meaning a simple majority vote) under Chapter 14 of the Listing Rules.

*\* For identification purpose only*

As at the date of the announcement, the Controlling Shareholders, being a closely allied group of Shareholders, together hold 71.34% of the issued capital of the Company. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting of the Company to approve the Transaction subject to the conditions set out therein. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Transaction as at the date of this announcement, and as such, no Shareholder is required to abstain from voting on the resolution(s) to approve the Transaction.

### **General**

A circular containing further details of the Transaction is to be dispatched to the Shareholders in accordance with the requirements applicable to a major transaction under Chapter 14 of the Listing Rules. Pursuant to Rule 14.41(a) of the Listing Rules, the circular should be despatched within 15 business days from the date of this announcement, however, as more time is required to finalise the circular, the Company will apply for a waiver from the strict compliance with Rule 14.41(a). The Company expects to despatch the circular on or about 30 November 2018, subject to clearance by the Stock Exchange. Further announcement(s) about the Transaction will be made by the Company as and when appropriate.

**The Transaction is subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **A. INTRODUCTION**

On 23 September 2018, the Purchaser, the Company and the Target entered into the Transaction Agreement, pursuant to which the Purchaser, a wholly-owned subsidiary of the Company, has conditionally agreed to acquire all of the Target Shares by way of the Scheme for a consideration of up to US\$650,857,128.

## **B. THE TRANSACTION**

### **Date of Transaction Agreement:**

23 September 2018

### **Parties to the Transaction Agreement:**

- a) the Purchaser (as purchaser)
- b) the Company (as purchaser's guarantor)
- c) the Target (as target)

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Target and its ultimate beneficial owners are third parties independent of the Company and of connected persons of the Company.

### **Scheme of Arrangement**

The Transaction is to be implemented by way of a scheme of arrangement under Jersey law; which must be approved by the Requisite Majorities of the Target Shareholders at the Target GM and Court Meeting and sanctioned by the Court.

### **Consideration and Payment Terms**

The consideration for the Transaction comprises:

- a) a base consideration of US\$490,747,128 for all the Target Shares (except Convertible Target Shares); and
- b) an additional amount of up to US\$160,110,000 for the Convertible Target Shares (if applicable).

### *Payment*

The Purchaser will pay a deposit of US\$15,000,000 to an escrow agent, or, failing that, to the Target. The deposit will be: 1) paid to the Settlement Agent and deducted from the consideration payable by the Purchaser if the Transaction proceeds to Completion; 2) if a break fee becomes payable by the Purchaser, paid to the Target and deducted from the break fee; or 3) refunded to the Purchaser in all other circumstances.

If the Transaction proceeds to Completion, the Purchaser will pay the Settlement Agent (who shall hold all monies on trust) on the Effective Date an amount in cash up to the consideration minus the deposit. The Settlement Agent will then distribute the consideration.

The consideration was determined by the parties after arm's length negotiations with reference to, among other things, the valuation and the financial position of the Target Group, and the due diligence review of the Target Group.

### **Senior Notes**

Subject to Completion, the Purchaser Group will assume the Senior Notes as a consequence of the Transaction while the Target will remain the issuer of the Senior Notes.

### **Conditions**

The Transaction is subject to the satisfaction (or where applicable, waiver) of the following conditions by the Long Stop Date:

- a) The passing by the Requisite Majorities of the Target Shareholders at the Target GM of the Target GM Resolutions.
- b) The approval of the Scheme by the Requisite Majorities of the Target Shareholders at the Court Meeting.
- c) Approval of the Transaction by the Company's shareholders as required under the Listing Rules.
- d) Receipt of the Consents.
- e) The Scheme being sanctioned by the Court at the Court Hearing and a copy of the Court Order being delivered to the Registrar of Companies in Jersey for registration.
- f) No Material Adverse Effect having occurred.
- g) Prior to the Scheme Record Time, all the outstanding amounts due under the Target's convertible loans have been discharged by conversion, rearrangement or a combination thereof (for not more than agreed amounts) without any further liabilities for the Purchaser Group or the Target Group.

### **Termination Rights and Break Fee**

#### *Purchaser termination rights*

The Purchaser may terminate the Transaction Agreement and be entitled to a break fee from the Target in the sum of US\$25,000,000 as a result of any of the following:

- a) a material breach of the Transaction Agreement by the Target;
- b) an adverse recommendation change by the Target Board;
- c) failure by the Target to publish the Scheme document or to convene the Court Meeting by the times required by the Transaction Agreement; or
- d) where the resolutions to be proposed at the Court Meeting and the Target GM have been passed by the Requisite Majorities, any failure by the Target Board to seek the Court Order or to file the Court Order with the Registrar of Companies in Jersey.

The Purchaser may terminate the Transaction Agreement and the Target will pay a costs fee to the Purchaser in the sum of US\$4,000,000 as a result of the Scheme not being approved by the Target Shareholders at the Court Meeting or the Target GM Resolutions not being passed by the Target Shareholders at the Target GM.

In addition, the Purchaser may terminate the Transaction Agreement (without being entitled to a break fee) in certain circumstances, including if:

- a) a Material Adverse Effect has occurred that is not cured within 20 business days from the date of notification;
- b) there is a breach of certain fundamental warranties by the Target that is not cured within 20 business days from the date of notification; or
- c) in certain circumstances, there is a breach or breaches of the Target's warranties as the date of the Transaction Agreement, not cured within 20 business days from the date of notification, which in aggregate amount(s) to US\$100,000,000 in losses, or a US\$100,000,000 reduction in the assets of the Target Group or a US\$100,000,000 increase in liabilities of the Target Group.

#### *Target termination rights*

The Target may terminate the Transaction Agreement and be entitled to a break fee from the Purchaser in the sum of US\$25,000,000 as a result of any of the following:

- a) a material breach of the Transaction Agreement by the Purchaser;
- b) there having been a ratings downgrade of the Senior Notes as a result of any public disclosure (other than this announcement) made by the Purchaser Group;
- c) Financing Satisfaction Date not having occurred on or before 31 December 2018, or the availability of financing (whether in the form of cash, cash equivalent or financing agreement(s)) to the Purchaser no longer being reasonably certain;
- d) the approval of the Company's shareholders for the Transaction not having been obtained two business days prior to the Court Hearing; or

- e) the deposit of US\$15 million is not paid by the Purchaser into the escrow account or to the Target by no later than the 11th business day after the date of the Transaction Agreement (or such other date as the Target may agree if the deposit has not been received by that date as a result of disruption of the banking and/or payments system (such agreement not to be unreasonably withheld)).

#### *Automatic termination*

The Transaction Agreement will terminate if the Effective Time has not occurred by the Long Stop Date (unless otherwise agreed).

#### **Financing**

No later than 31 December 2018, the Purchaser will or will procure that a member of the Purchaser Group will:

- a) enter into one or more financing agreements where the availability of such financing to the Purchaser is reasonably certain in terms of conditionality to funding; and/or
- b) obtain cash or cash equivalents (being instruments and deposits that are realisable for cash at the Purchaser's election prior to the Effective Date) on hand,

so that the aggregate amount of financing available to the Purchaser will be (when taken together with the deposit of US\$15 million) US\$651 million (or such lower amount as shall reflect a reduction on a US\$ for US\$ basis following any repayment or prepayment by the Target from time to time in respect of certain loans to the Target from third parties). On or after the date on which such amount of financing is available to the Purchaser, the Purchaser shall be entitled to give written notice to the Target, the date of such notice will be the Financing Satisfaction Date.

#### **Target Non-Solicitation**

The Target has undertaken that from the date of the execution of the Transaction Agreement, it will cease any ongoing discussions with any person in relation to, and will not solicit, induce, engage or initiate or otherwise seek to procure, any competing offer for the Target.

#### **Target Board Recommendation**

The Target Board has undertaken to give a unanimous unqualified recommendation to the Target Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the Target GM Resolutions at the Target GM. The Target Board may change its recommendation only if a bona fide unsolicited competing offer is made for the Target and the Target Board determines in good faith it is a Superior Proposal.

## **Pre-Completion Undertakings**

The Target has given certain pre-Completion undertakings under the Transaction Agreement in respect of the Business, including the undertaking to carry on its business in the ordinary course and prevent leakage of value from the Target Group prior to Completion.

## **Right to Switch to an Offer**

The Purchaser currently intends to implement the Transaction by way of the Scheme; however, the Purchaser may at any time before the Financing Satisfaction Date elect to implement the Transaction by way of a general offer in its absolute discretion. Following the Financing Satisfaction Date, the Purchaser may elect to implement the Transaction by way of an offer if:

- a) a third party makes an offer for the issued and to be issued ordinary share capital of the Target;
- b) the Target Board changes, withdraws or modifies its recommendation in favour of the Scheme; or
- c) the Court does not sanction the Scheme at the Court Hearing.

## **Company's Obligations as Purchaser's Guarantor**

The Company has agreed to guarantee the obligations of the Purchaser under the Transaction Agreement and the Scheme.

## **Target Shareholders' Irrevocable Undertakings**

In connection with the Scheme, the Purchaser has obtained irrevocable undertakings from members of the Target Board in respect of their personal holdings of 1,260,094 Target Shares (representing approximately 0.39% of the voting rights in the Target as at the date of this announcement), to vote in favour of the Scheme at the Court Meeting and the Target GM Resolutions at the Target GM, and to vote against any proposal that may reasonably impede or frustrate the consummation of the Transaction (including any competing scheme of arrangement by a third party), provided that such irrevocable undertakings will lapse if the Transaction Agreement is terminated or if the Transaction (whether implemented by way of the Scheme or an offer) does not close or become effective on or by the Long Stop Date.

## **Company Controlling Shareholders' Irrevocable Undertaking**

In connection with the Transaction, the Controlling Shareholders, which together hold 18,754,300,230 Shares (He Fu International Limited as to 10,657,758,250 Shares, United Energy Holdings Limited as to 3,649,088,564 Shares and United Petroleum & Natural Gas Holdings Limited as to 4,447,453,416 Shares), representing approximately 71.34% of the issued share capital of the Company as at the date of this announcement, have provided an irrevocable undertaking to the Target and the Company to provide a written approval pursuant to Rule 14.44 of the Listing Rules, or, if such written approval is not accepted by the Stock Exchange, exercise the voting rights attaching to their Shares to procure the approval of any resolution which is proposed at the general meeting of the Company, in respect of the

Transaction, provided that such undertaking will lapse and cease to have any effect if the Transaction Agreement is terminated or if the Transaction (whether implemented by way of the Scheme or an offer) does not close or become effective on or by the Long Stop Date.

## **C. INFORMATION ABOUT THE PARTIES**

### **1. The Purchaser and the Company**

The Company is one of the largest listed independent upstream oil and gas corporations in Hong Kong, with business presence in South Asia. The Company, together with its subsidiaries, is principally engaged in the investment and operation of upstream oil, natural gas and other energy related businesses.

The Purchaser is a wholly-owned subsidiary of the Company set up for the purpose of implementing the Transaction.

### **2. The Target**

The Target is incorporated and registered under Jersey law. It is principally an upstream oil and gas company with exploration, appraisal, development and production activities in a number of countries including Iraq, Egypt, Yemen and Oman.

#### **Assets to be Acquired**

The net asset value of the assets which are the subject of the Transaction is approximately US\$186.9 million as at 31 December 2017.

The net loss (both before and after taxation) attributable to the assets which are the subject of the Transaction for the two financial years immediately preceding the Transaction are as follows:

	<b>Year ended 31 Dec 2016 (US\$ million)</b>	<b>Year ended 31 Dec 2017 (US\$ million)</b>
<b>Net loss before tax</b>	<b>114.7</b>	<b>45.7</b>
<b>Net loss after tax</b>	<b>116.1</b>	<b>52.8</b>

The Company understands the Target Group has been pursuing the assignment to Dragon Oil of a 15% participating interest in the Block 9, Iraq service contract in settlement of a dispute in relation to a non-controlling interest in Block 9, Iraq. The Company further understands that a member of the Target Group is named as a respondent in a dispute with the government of Yemen relating to Block 43 in Yemen. Further announcement(s) may be made to the extent that the progress of such disputes is relevant for the purpose of the Transaction.



## **D. REASONS AND BENEFITS FOR THE TRANSACTION**

The Target has a high quality asset portfolio with significant scale, strong development potential, and an experienced management team. The Company believes that the risks associated with the Target portfolio are manageable and enables the Company to leverage its capabilities to generate synergies.

The Transaction is a significant milestone in implementing the Company's medium and long-term growth strategy of becoming an independent international oil and gas company. The Transaction will transform the Company into a strong medium-sized international independent oil and gas company with a diversified portfolio of high quality assets. The production base and long reserve life of the Target are highly complementary to the Company's existing portfolio and provides a sustainable development profile to the Company for the next two decades. The Company will also leverage its strong financial capabilities to enhance the development potential of the Target portfolio. It will also allow the Company to materially enter the resource rich oil and gas markets in the Middle East and North Africa, and allow cooperation and competition with best-in-class international companies on the same platform. To date, the Target has worked with large international oil and gas companies globally as well as national oil companies in the countries it operates. Moreover, the Target has an established presence and reputation in the oil and gas industry in the Middle East. The Transaction will significantly improve the profile of the Company and also further expand its development potential.

The Directors are of the view that the Transaction is in the interests of the Company and the Shareholders as a whole, and the terms of the Transaction Agreement, which have been reached after arm's length negotiations between the parties, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **E. LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Transaction exceed 25% but are less than 100%, the Transaction constitutes a major transaction for the Company and is subject to the reporting, announcement and shareholders' approval requirements (meaning a simple majority vote) under Chapter 14 of the Listing Rules.

As at the date of the announcement, the Controlling Shareholders, being a closely allied group of Shareholders as each of them is solely beneficially held by Mr. Zhang Hong Wei, Chairman of the Company, together hold 71.34% of the issued capital of the Company. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting of the Company to approve the Transaction subject to the conditions set out therein. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Transaction as at the date of this announcement, and as such, no Shareholder is required to abstain from voting on the resolution(s) to approve the Transaction.

As mentioned above, the Controlling Shareholders have provided an irrevocable undertaking to approve the Transaction, either by providing a written approval pursuant to Rule 14.44 of the Listing Rules or voting to procure the approval of any resolution which is proposed at the general meeting of the Company.

## **F. GENERAL**

A circular containing further details of the Transaction is to be dispatched to the Shareholders in accordance with the requirements applicable to a major transaction under Chapter 14 of the Listing Rules. Pursuant to Rule 14.41(a) of the Listing Rules, the circular should be despatched within 15 business days from the date of this announcement, however, as more time is required to finalise the circular, the Company will apply for a waiver from the strict compliance with Rule 14.41(a). The Company expects to despatch the circular on or about 30 November 2018, subject to clearance by the Stock Exchange. Further announcement(s) about the Transaction will be made by the Company as and when appropriate.

**The Transaction is subject to a number of conditions which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

<b>“Assets”</b>	Target’s oil and gas exploration, development and/or production assets
<b>“Asset Agreements”</b>	means licenses, service contracts, production sharing contracts, exploration, development and production service contracts, operating agreements, shareholder agreements, farm out agreements, gas development and production service agreements, gas supply agreements, EPC contracts, concession agreements, production and exploration service agreements and any other material agreements, arrangements, rights or other obligations to which Target or any member of the Target Group is a party (or by which they are bound) or held by Target or any member of the Target Group in relation to the Assets
<b>“Asset Third Parties”</b>	parties to the Asset Agreements other than the Target and members of the Target Group
<b>“Board”</b>	the board of Directors
<b>“Business”</b>	the upstream petroleum and liquid petroleum gas business carried on by the Target
<b>“business day(s)”</b>	a day (other than a Saturday, Sunday, public or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
<b>“Company”</b>	United Energy Group Limited, a company incorporated in the Cayman Islands and re-domiciled to Bermuda as an exempted company with limited liability under the Companies Act of Bermuda
<b>“Completion”</b>	consummation of the Transaction in accordance with the Transaction Agreement, including the Scheme taking effect

**“Consents”**

- a) following notification of the Transaction by the Target to the Ministry of Oil and applicable national oil companies in Iraq and the Ministry of Petroleum and applicable national oil companies in Egypt, either (i) the receipt of an indication of support or no objection in response to each such notification or (ii) there having been no receipt by the Target or the Purchaser of a written objection to the Transaction in response to any such notification;
- b) i) the provision of such consents, waivers, notices or confirmations as are contractually required to be provided to or obtained from the relevant regulatory authorities and/or Asset Third Parties; and ii) the expiry of any relevant time periods for the relevant regulatory authorities and/or Asset Third Parties to exercise pre-emption, right of first refusal, assignment or other rights to acquire, each pursuant to the Asset Agreements in the context of the Transaction; and
- c) any consent that may be required from the Jersey Financial Services Commission in connection with the Transaction under the terms of the consents issued to the Target pursuant to the Control of Borrowing (Jersey) Order 1958

**“Controlling Shareholders”**

He Fu International Limited, United Energy Holdings Limited and United Petroleum & Natural Gas Holdings Limited

**“Convertible Target Shares”**

Target Shares which may be issued pursuant to the terms of Target’s convertible loans

**“Court”**

the Royal Court of Jersey

**“Court Hearing”**

the hearing of the Court (and any adjournment thereof) to sanction the Scheme pursuant to Article 125 of the Companies (Jersey) Law 1991

**“Court Meeting”**

the meeting(s) of the Target Shareholders or any class or classes thereof to be convened by order of the Court pursuant to Article 125 of the Companies (Jersey) Law 1991 to consider and, if thought fit, approve the Scheme

**“Court Order”**

the order of the Court sanctioning the Scheme under Article 125 of the Companies (Jersey) Law 1991

**“Director(s)”**

director(s) of the Company

<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with its terms
<b>“Effective Time”</b>	the time on the Effective Date at which the Scheme becomes effective
<b>“Financing Satisfaction Date”</b>	the date on which the Purchaser gives notice to the Target that it has satisfied the requirement of obtaining sufficient aggregate amount of financing as set out in the paragraph headed “Financing”
<b>“Listing Rules”</b>	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Long Stop Date”</b>	30 June 2019 or such later date (if any) as the Target and the Company may agree
<b>“Material Adverse Effect”</b>	<p>any matter or event (or series of matters or events, whether or not related) occurring on or after 1 January 2018 which results or is reasonably likely to result in:</p> <ul style="list-style-type: none"> <li>a) a reduction in the total assets of the Target Group of at least US\$100,000,000 as compared to that set out in the Target Group’s financial statements at 31 December 2017; or</li> <li>b) an increase in the total liabilities of the Target Group of at least US\$100,000,000 as compared to that set out in the Financial Statements at 31 December 2017,</li> </ul> <p>and which is notified in writing by the Purchaser to the Target, save where the relevant reduction in total assets or increase in total liabilities (i) results from a reduction in oil prices or any reduction in the estimate of reserves in the contract areas relating to the Assets; or (ii) has been fairly disclosed (but only to the extent fairly disclosed)</p>
<b>“Purchaser”</b>	Gold Cheers Corporation Limited, a company registered in Hong Kong, whose registered office is at Unit 2505, 25/F, Two Pacific Place, 88 Queensway, Hong Kong
<b>“Purchaser Group”</b>	the Company and its subsidiaries (including the Purchaser)

<b>“Requisite Majorities”</b>	<p>a) in respect of the Target GM Resolutions: not less than two thirds of the voting rights exercised by the Target Shareholders who attend and vote in person or by proxy); or</p> <p>b) in respect of the Scheme: (i) simple majority in number of, and (ii) three fourths of the voting rights exercised by, the Target Shareholders who attend and vote in person or by proxy</p>
<b>“Scheme”</b>	the scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991 between the Target and the Target Shareholders to implement the Transaction pursuant to the Transaction Agreement
<b>“Scheme Record Time”</b>	6.00 p.m. on the business day immediately preceding the Effective Date (or such other time as the parties may agree in writing, with the consent of the Court (if required)
<b>“Settlement Agent”</b>	Computershare Jersey
<b>“Senior Notes”</b>	the US\$250 million 9.500% Senior Guaranteed Notes due 2019 and issued by the Target on 4 August 2014
<b>“Shareholders”</b>	registered holders of Shares from time to time
<b>“Shares”</b>	ordinary shares in the capital of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“subsidiary”</b>	has the meaning ascribed to it under the Listing Rules;
<b>“Superior Proposal”</b>	a competing bid by a third party that will result in the acquisition of at least 70% of the Target Shares and (i) is reasonably capable of being completed within the timetable for the Transaction, taking into account all financial, legal, regulatory and other aspects of such proposal, (ii) has financing commitments which are at least equivalent to those of the Purchaser, and (iii) is on terms which are financially more favourable to Target Shareholders than the terms of the Transaction
<b>“Target”</b>	Kuwait Energy Public Limited Company, a company incorporated and registered under Jersey law with registered No. 106699, whose registered office is at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES

<b>“Target Board”</b>	board of directors of the Target
<b>“Target GM”</b>	general meeting of Target Shareholders to be convened in connection with the Scheme and the Transaction to consider and, if thought fit, approve the Target GM Resolutions (including any adjournment or postponement thereof);
<b>“Target GM Resolutions”</b>	special resolutions to be proposed by Target at the Target GM to approve, amongst other things, the alteration of Target's articles of association to ensure that any Target Shares issued following the Scheme Record Time (other than to the Company) will automatically be transferred to the Company on the same terms as under the Scheme, and such other matters as may be necessary for the implementation of the Scheme
<b>“Target Group”</b>	the Target and its subsidiaries
<b>“Target Shares”</b>	ordinary shares of £1.00 each in the capital of the Target
<b>“Target Shareholders”</b>	registered holders of Target Shares from time to time
<b>“Transaction”</b>	the acquisition of all the Target Shares by the Company by way of the Scheme as contemplated under the Transaction Agreement
<b>“Transaction Agreement”</b>	the agreement between the Company and the Target dated 23 September 2018 pursuant to which the Company conditionally agreed to purchase all of the Target Shares by way of the Scheme

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

Hong Kong, 24 September 2018

*As at the date of this announcement, the executive directors of the Company include Mr Zhang Hong Wei and Ms. Zhang Meiyong, and the independent non-executive directors of the Company include Mr. Chau Siu Wai, Mr. San Fung and Ms. Wang Ying.*