



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CHINA ENERGY LIMITED (the "Company") will be held at PARKROYAL on Pickering, Conference Room 2, Level 2, 3 Upper Pickering Street, Singapore 058289 on 30 April 2014 at 2.30 p.m. for the following purposes:-

AS ORDINARY BUSINESS

- To receive and adopt the Directors' Report and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2013 together with the Auditors' Report thereon. **(Resolution 1)**
- To re-elect the following Directors of the Company retiring pursuant to Article 107 of the Articles of Association of the Company:-
Mr Wong William **(Resolution 2)**
Mr Lai Hock Meng **(Resolution 3)**
[See Explanatory Note (i)]
- To approve the payment of Directors' fees of S\$240,000 for the financial year ended 31 December 2013 (2012: S\$240,000). **(Resolution 4)**
[See Explanatory Note (ii)]
- To re-appoint Messrs Moore Stephens LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
- To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:-

- Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

- issue shares in the Company ("**Shares**") whether by way of rights or otherwise; and/or
- make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

- the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing members of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the total number of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and
 - any subsequent consolidation or subdivision of shares;
- in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments. **(Resolution 6)**
[See Explanatory Note (iii)]

- Renewal of Shareholders' Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

- approval be and is hereby given for the renewal of mandate for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions as set out in the Appendix to the Company's Annual Report to shareholders dated 11 April 2014 (the "**Appendix**") with any party who is of the class of Interested Persons described in the Appendix, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the Appendix (the "**IPT Mandate**");
- the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and
- that the Directors of the Company (other than Cui Lianguo, who is deemed to be interested in the Interested Person Transactions described in the Appendix) and any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT Mandate and/or this Resolution. **(Resolution 7)**
[See Explanatory Note (iv)]

- Renewal of Share Buyback Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix, in accordance with the terms of the share buyback mandate set out in the Appendix, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 8)**

[See Explanatory Note (v)]

By Order of the Board

Chew Kok Liang
Company Secretary
Singapore, 14 April 2014

Explanatory Notes:

- Mr Wong William will, upon re-election as a Director of the Company, remain as a member of Executive Committee and an Executive Director of the Company.
Mr Lai Hock Meng will, upon re-election as a Director of the Company, remain as Chairman of Audit Committee and as a member of the Remuneration Committee. Mr Lai Hock Meng will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- The directors' fees are payable to Mr Ong Kian Min, Mr Lai Hock Meng and Dr Leong Horn Kee.
- Resolution 6, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a *pro rata* basis to existing members of the Company.
For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.
- Resolution 7, if passed, will authorise the Interested Person Transactions as described in the Appendix and recurring in the year and will empower the Directors (other than Cui Lianguo) of the Company to do all acts necessary to give effect to the IPT Mandate. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. The full details on IPT Mandate to be renewed are set out in the Appendix to the Company's Annual Report.
- Resolution 8, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to purchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company up to the Maximum Price as defined in the Appendix to the Company's Annual Report. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Company and the Group for the financial year ended 31 December 2013 are set out in greater detail in the Appendix to the Company's Annual Report.

Notes:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at Six Battery Road, #10-01, Singapore 049909 not less than 48 hours before the time appointed for holding of the Annual General Meeting.