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CHINA UNIENERGY GROUP LIMITED

中国优质能源集团有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1573)

INSIDE INFORMATION AND POSITIVE PROFIT ALERT

This announcement is made by CHINA UNIENERGY GROUP LIMITED (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 (the “**Reporting Period**”), the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a significant increase in the consolidated net profit when compared to the audited consolidated net profit of the Group for the year ended 31 December 2015, which was mainly attributable to the significant increase in revenue for the Reporting Period as compared with the prior year due to (1) the increase in the average selling price for clean coal and fine coal products, after the installation and the put into use of coal preparation facilities since the last quarter of 2015, as well as the increase in the prevailing market price of coal products, and (2) the increased production capacity, and hence the sales volume, of our Weishe Coal Mine, Luozhou Coal Mine and Lasu Coal Mine. As a result of the technological upgrades of the mines of the Group, Luozhou Coal Mine and Lasu Coal Mine have been under joint trial run at the increased annual production capacity since the last quarter of 2015 and the first quarter of 2016, respectively. And Weishe Coal Mine had been under joint trial run at the increased annual production capacity since the last quarter of 2015 and has recently obtained the safety production permit with the increased permitted annual production capacity in February 2017.

The information contained in this announcement represents only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the Reporting Period, which have not been audited or reviewed by the Company's auditors and may be subject to amendments. Details of the audited financial information will be disclosed in the Group's annual results announcement for the Reporting Period which is expected to be published before the end of March 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
CHINA UNIENERGY GROUP LIMITED
Xu Bo
Chairman

Guiyang, People's Republic of China
16 February 2017

As at the date of this announcement, the executive directors of the Company are Mr. Xu Bo, Mr. Wei Yue and Mr. Xiao Zhijun; and the independent non-executive directors of the Company are Mr. Jiang Chenglin, Mr. Choy Wing Hang William, Mr. Lee Cheuk Yin Dannis and Mr. Fu Lui.