Changfeng Provides Additional Information Regarding Proposed Loan Discharge Resolution

June 23, 2017

Toronto, Ontario, June 23, 2017 – Changfeng Energy Inc. (TSXV: CFY) ("**Changfeng**" or the "**Corporation**") is supplementing the information provided in the Management Proxy Circular dated June 1, 2017 (the "**Circular**") in connection with the ordinary resolution of shareholders (the "**Loan Discharge Resolution**") to approve the Loan Discharge Agreement dated as of May 25, 2017 among the Corporation, Sanya Changfeng Offshore Natural Gas Supply Co., Ltd. ("**Offshore**") and Mr. Huajun Lin (the "**Loan Discharge Agreement**") to be considered at the annual and special meeting of holders of common shares of the Corporation to be held on June 30, 2017. This press release is issued at the request of Staff of the Ontario Securities Commission. Capitalized terms used in this press and not otherwise defined have the meaning assigned thereto in the Circular. ***This press release must be read jointly with the Circular.***

Dual-Listing Application on The Stock Exchange of Hong Kong Limited

On December 20, 2016 the Corporation announced its intention to pursue a listing of its common shares on The Stock Exchange of Hong Kong Limited (the "**HKSE**"). On January 23, 2017, the Corporation further announced that a special resolution to approve the continuation of the Corporation into British Columbia was approved unanimously at a special meeting of its shareholders. The special meeting was called to approve a continuation of the Corporation into the provincial jurisdiction of British Columbia in order to facilitate the application of the Corporation for listing on HKSE and to provide the Corporation with greater flexibility in corporate governance and administrative matters and corporate structure generally afforded by the *Business Corporations Act* (British Columbia). As of the date of this press release the Corporation has not yet been continued into British Columbia. The Corporation is in the process of pursuing, together with its Sponsor and Hong Kong Counsel, the required internal reorganization steps, including the Loan Discharge Resolution, in order to successfully pursue a listing on the HKSE.

The Board of Directors of the Corporation believes that a dual-listing of the common shares on the HKSE will provide several benefits to Changfeng and its shareholders including, without limitation, greater access to capital and new investors closer to its operations, increased trading volume and market liquidity, geographic diversification and expansion of its investor base and a potentially increased valuation for the Corporation.

Changfeng currently expects to file a listing application with the HKSE in the first half of 2018. There is currently no information available to Changfeng as to the expected timing associated with the review of its listing application by the HKSE.

Financial Independence Listing Requirement of the Hong Kong Stock Exchange

The listing requirements of the HKSE require that if an applicant has a controlling shareholder, it must establish that it can carry on its business independently of its controlling shareholder. In assessing the satisfaction of this requirement, the HKSE ordinarily considers the applicant's circumstances and its independence from the controlling shareholder, including its financial independence, operational independence and management independence. An applicant may

be dependent on its controlling shareholder in one or more of these areas. Where the degree of dependence is considered to be excessive, this may raise concern about the applicant's suitability for listing.

Based on the advice of the Corporation's Hong Kong counsel, including consideration of published decisions of the HKSE in respect of prior circumstances in which applicants for listing have loans outstanding to a controlling shareholder, the Loans would represent an issue affecting the financial independence of the Corporation, and that based on the available information, in order for an application for listing to be accepted by the HKSE, would need to be discharged (i) in advance of making a listing application, (ii) subsequent to making a listing application and prior to listing becoming effective as a condition of listing, potentially through the use of third party financing that was repaid through the net proceeds of a financing undertaken in connection with the listing, or (iii) subsequent to listing using the net proceeds of a financing undertaken in connection with the listing, as a condition of listing. One alternative to discharge of the Loans considered based on two published decisions of the HKSE would be to attempt to persuade the HKSE that the Loans were not significant and that the discharge would not be commercially reasonable or practical. This alternative would be based on two published decisions of the HKSE relating to financial assistance from a controlling shareholder to an applicant for listing that was permitted to remain in place subsequent to listing based on these grounds. However, as one of these decisions involved an applicant that had a guarantee of certain financing from its controlling shareholder but had sufficient capital to operate its business independent of such financing as well as the ability to obtain financing from third parties without relying on the controlling shareholder's guarantee, and the second involved financing from a controlling shareholder that was not significant compared with the applicant's total credit facilities, neither was considered analogous to the circumstances of the Corporation with respect to the Loans such that it would provide a reasonable prospect of satisfying the HKSE that the Corporation was financially independent of its controlling shareholder without incurring significant risk of incurring significant expense and delay to the listing application in the event that submissions on this basis were not accepted by the HKSE.

Hong Kong counsel to the Corporation advised the Corporation that the discharge of the Loans prior to making an application would be the most common and safest means of satisfying the HKSE that the Loans did not affect the financial independence of the Corporation. In light of this view and discussions with Hong Kong counsel and the Sponsor, and consideration of the significant time and expense associated with undertaking an application for listing on the HKSE, following the review and recommendation of the Special Committee, the Corporation determined to seek Minority Approval of the Loan Discharge Resolution and discharge the Loans in advance of making an application for listing to the HKSE, and avoid both the expense and effort associated with a listing application to the HKSE in the event that such Minority Approval was not achieved as well as the risk of potential material delay and incremental expense of satisfying the HKSE with respect to an alternative approach to discharge of the Loans undertaken after submitting a listing application. The Corporation has neither submitted its formal listing application to the HKSE nor has it contacted the HKSE specifically about the Loans in relation to the financial independence requirement.

Special Committee Process

While management continued to explore Changfeng's options with the Sponsor and Hong Kong Counsel, a Special Committee of the Board of Directors of the Corporation (the "**Special Committee**") was appointed to review alternatives for the discharge of the indebtedness under the Loan Agreements. As discussed in the Circular, the Special Committee considered a number of alternative for the discharge of the Loan Agreements.

On November 16, 2016 management obtained a legal opinion from Changfeng's counsel in the People's Republic of China (the "**PRC**") to the effect that: (i) any repayment of the indebtedness pursuant to the Loan Agreements by the issuance of securities of Changfeng would not be in compliance with PRC laws and regulations respecting foreign exchange and overseas investments; and (ii) to comply with such laws and regulations any repayment of the indebtedness pursuant to the Loan Agreements should be done within the territory of the PRC and that such payment should be in Chinese RMB.

On January 10, 2017 Mr. Huajun Lin (the "**Lender**") provided management and the Special Committee with a legal opinion to the same effect from his personal counsel in the PRC.

On January 17, 2017 the Chair of the Special Committee met in Toronto with a representative of the Lender and the Chief Financial Officer of the Corporation. Canadian counsel to each of the Corporation, the Lender and the Special Committee also attended the meeting. During the meeting the representative of the Lender informed the Chair of the Special Committee that based on the legal opinion of PRC counsel it was the Lender's expectation that Chinese RMB 40,000,000 owed pursuant to the Loan Agreements would be repaid in cash on or prior to their maturity date on April 27, 2017 in order to facilitate and expedite the listing application with the HKSE.

Following the January 17, 2017 meeting the Special Committee considered and assessed the request of the Lender together with counsel to the Special Committee in each of Canada and the PRC.

The Special Committee considered, among others, the following elements: (i) the benefits that a HKSE dual-listing would provide to Changfeng and its shareholders; (ii) management's assurances that Changfeng is able to discharge the Loans in full using its existing financial resources; (iii) management's assurances that using its available cash for the discharge of the Loans would not compromise or delay execution of the business plan of the Corporation; (iv) the potential adverse financial impact on the Corporation and its shareholders of litigation respecting the repayment of the Loans; (v) the potential adverse financial impact to the Corporation and its shareholders and to the HKSE listing process of litigation respecting the enforcement by the Corporation of its rights under the Subordination and Forbearance Agreement dated April 27, 2007 (the "**Subordination and Forbearance Agreement**"); (vi) the adverse reputational impact of litigation with the Lender on the Corporation and its shareholders; and (vii) management's assurances that the discharge of the Loans in the manner currently contemplated would not constitute a breach or violation of the Corporation's current financing arrangements. After considering these factors the Special Committee determined that, as a first step, it would be appropriate to obtain a new valuation of the Loans given these new developments.

The Special Committee concluded that Changfeng had few available options as (i) the status quo would be materially detrimental to the HKSE listing process, and (ii) any repayment alternatives previously considered by the Special Committee and the Board of Directors of the Corporation, such as the issuance of securities of the Corporation (including the alternative considered in the Loan Discharge Agreement dated October 8, 2015 among the Corporation, Offshore, Sanya Changfeng Natural Gas Supply Co., Ltd. and Sanya Changkai Development Co. Ltd.), would potentially be illegal in the PRC and could lead to litigation between the Corporation and the Lender in both the PRC and Canada.

The Special Committee also considered the significant difference between the financial circumstances of the Corporation in 2017 as compared to those prevailing in 2015. Since the Corporation now has the financial resources to repay and discharge the Loans without

compromising its future development and business plan, the Special Committee concluded that repayment of the Loans in cash rather than securities of the Corporation is preferable for the Corporation and its shareholders since it avoids further dilution of the existing minority shareholders (subject to the Right discussed below).

On February 5, 2017 the Special Committee engaged Valuation Support Partners Ltd. ("**VSPL**") to prepare a valuation of the Loans as at December 31, 2016. Following receipt of a draft Valuation the Special Committee held conference calls on each of March 10, 14 and 15, 2017 to review and consider the draft Valuation. The Special Committee provided several comments and raised several questions with VSPL respecting the draft Valuation. On March 20, 2017 the Special Committee met with VSPL by conference call in order to address its remaining questions and comments. Following this meeting the Valuation was finalized and delivered to the Special Committee on March 24, 2017. It provided a fair market value range for the Loans of between Chinese RMB 36,870,000 and 38,830,000 as of December 31, 2016.

In reviewing and considering the Valuation the Special Committee also considered the fairness opinion issued by Evans & Evans, Inc. ("**Evans**") as independent financial advisor to the then Special Committee in the previous attempt to discharge the Loans in 2015. The Special Committee ultimately came to the conclusion that the assumptions supporting such fairness opinion were no longer relevant to the transaction currently considered by the Special Committee since, in order to facilitate acceptance of the HKSE listing, it was concluded that the Loans should be discharged in the immediate future while the premise for attempting to discharge the Loans in 2015 did not have any such immediacy requirement. This distinction was considered material enough for the Special Committee to determine that the Valuation was more representative of the fair market value of the Loans for the purposes of the Loan Discharge Agreement and the underlying transactions.

The Special Committee also engaged an independent counsel in the PRC to review and validate the opinions previously obtained by Changfeng and the Lender. On March 29, 2017 PRC counsel engaged by the Special Committee opined that in order to comply with applicable PRC laws and regulations respecting foreign exchange and overseas investments as well as the PRC *Law on Enterprise Income Tax*, the Loans should be repaid by Offshore to the Lender in Chinese RMB by way of a transaction under PRC laws. PRC Counsel also advised that there are no prohibitions against Changfeng providing the necessary funds to Offshore provided that the required regulatory approvals including, without limitation, the approval of the local PRC State Administration of Foreign Exchange and the Corporation's local bank are obtained.

The Special Committee, after having carefully considered the Valuation, the fairness opinion previously issued by Evans, the opinion from independent PRC counsel, as well as elements mentioned above and advice from both PRC and Canadian counsel to the Special Committee, prepared an offer for the Lender's consideration respecting the repayment and discharge of the Loans. This offer was submitted on April 25, 2017 and was aligned with the mid-point of the range initially contemplated by the Evans fairness opinion. This initial offer was rejected by the Lender. The Special Committee and the Lender and his representatives subsequently had several discussions and counteroffers were exchanged on May 9 and May 11, 2017.

On May 17, 2017 the Special Committee submitted an offer to the Lender for an aggregate amount of Chinese RMB 36,000,000. In addition the offer provided that if the dual-listing of the Corporation's common shares on the HKSE has not been completed on or prior to June 28, 2019, the Corporation shall have the right for a period of ninety (90) day following June 28, 2019 to require that the Lender, directly or indirectly, subscribe for common shares of the Corporation, in a minimum amount of Chinese RMB 36,000,000 or its Canadian dollar equivalent (the "**Right**"). The subscription price for such common shares shall be the volume-

weighted average price of the common shares of the Corporation on the TSX Venture Exchange (or any other exchange on which such common shares are then trading (collectively the "**Exchange**")) for the 30 trading days immediately prior to June 28, 2019 subject to Exchange and other applicable regulatory approvals. For greater certainty, the Corporation shall not have the right to request such investment if the Lender has otherwise invested Chinese RMB 36,000,000 in common shares or other securities of the Corporation prior to June 28, 2019 through a private placement or public offering of common shares by the Corporation.

The Special Committee considered that this offer was in the best interests of the Corporation and its shareholders since it: (i) removes a significant impediment to the HKSE listing; (ii) is slightly below the low end of the range of fair market value of the Loans provided in the Valuation, a copy of which is attached to the Circular; (iii) is beneficial to the Corporation and its minority shareholders as the funds will be fully re-invested in the Corporation in the form of equity if the Corporation is not successful with the HKSE listing by June 28, 2019; (iv) removes significant litigation and reputational risks for the Corporation together with any potential adverse financial consequence for the Corporation and its shareholders; (v) can be effected using the Corporation's existing financial resources; (vi) can be effected without compromising or delaying the execution of the business plan of the Corporation; and (vii) significantly simplifies the capital structure of the Corporation.

This offer was accepted by the Lender and the Loan Discharge Agreement was negotiated and finalized among the parties. On May 25, 2017 the Board of Directors of Changfeng accepted the recommendation from the Special Committee and unanimously approved the Loan Discharge Agreement. Mr Huajun Lin did not participate in the meeting of the Board of Directors and did not vote on the Loan Discharge Agreement.

Status of the Loan Agreements

The Loans evidenced by the Loan Agreements are demand loans and were due on April 27, 2017. The Loans have remained outstanding since April 27, 2017 and the Special Committee received assurances from the Corporation that the Lender has agreed not to demand payment until the shareholders have considered and voted on the Loan Discharge Resolution. During the course of its discussions with the Corporation and the Lender, the Special Committee had no reasonable basis to expect that that the Loans would not be further renewed for a period subsequent to April 27, 2017.

Formal Valuation Requirements

The Valuation is not a "formal valuation" as defined in MI 61-101. In accordance with Section 5.5(b) of MI 61-101, the Corporation is exempt from obtaining a formal valuation for the Transaction given that its securities are only listed on the TSX Venture Exchange and on no other stock exchange. Although the Corporation is exempt from the "formal valuation" requirement under MI 61-101, the Special Committee still decided to engage VSPL to prepare a valuation on substantially the same terms as would be required for a "formal valuation" under MI 61-101. The rationale for obtaining the Valuation was that the Special Committee wanted to have the best indication possible of the market value of the Loans before negotiating with the Lender. Further, due to the transaction being a Related Party Transaction within the meaning of MI 61-101, the Special Committee also wanted to provide the Minority Shareholders with the best information possible in order for them to make an informed decision respecting approval of the Loan Discharge Agreement at the Special Meeting.

Prior Offer

The Corporation, Offshore and the Original Lenders had previously attempted to discharge the Loans by way of a loan discharge agreement that was entered into on October 8, 2015 (the "**2015 Discharge Agreement**"). Pursuant to the 2015 Discharge Agreement, the Corporation agreed to issue to each of the Original Lenders 7,500,000 Class A Preferred Shares of the Corporation (the "**Preferred Shares**") in exchange for the absolute and unconditional discharge of the indebtedness of Offshore under the Loan Agreements and an indemnity of Offshore and the Corporation by the Original Lenders in respect of any claim for payment that may be made against Offshore or the Corporation in respect of such loans. The terms of the Preferred Shares included one vote per share, no right to dividends and no redeemable or retractable feature for the holder. The Preferred Shares were to be redeemable at the option of the Corporation at $0.32 per share until April 27, 2025, and thereafter at $0.40 per share, and in the event of a change of control of the Corporation or a sale of substantially all of its assets, were to be required to be redeemed by the Corporation at a price of $0.32 per share until April 27, 2025, and thereafter $0.40 per share. The Preferred Shares were to have a liquidation preference before the holders of the common shares, and have a fixed liquidation value of $0.32 per share until November 15, 2030 and $0.533 per share thereafter. The Preferred Shares were not to be listed, and were not to be convertible into, or exchangeable for, any other securities.

In its previous attempt to discharge the Loans in 2015, the Board of Directors of the Corporation formed a Special Committee of its directors, composed entirely of directors independent of management and the Lender to review alternatives for the discharge of the indebtedness pursuant to the Loan Agreements (the "**2015 Special Committee**"). The 2015 Special Committee retained Evans as independent financial advisor to the 2015 Special Committee. The 2015 Special Committee considered a number of alternatives for the discharge of the indebtedness evidenced by the Loan Agreements, including the issuance of common shares of the Corporation, the issuance of conventional debt by the Corporation and the issuance of preferred shares. The 2015 Special Committee rejected a transaction involving the issuance of conventional debt because of its mandatory servicing costs, and rejected the issuance of common shares because of its dilution to common shareholders. Further, the Corporation did not have the financial resources at the time to repay the loans in cash. The 2015 Special Committee thus proposed to the Original Lenders the issuance of preferred shares in satisfaction of the Loans, and negotiated with the Original Lenders with respect to the number and terms of such preferred shares. The outcome of those negotiations was the execution of the 2015 Discharge Agreement.

As part of its analysis and determination as to whether to approve and recommend the terms of the 2015 Discharge Agreement, the 2015 Special Committee engaged Evans to prepare a fairness opinion as to the fairness of the terms of the 2015 Discharge Agreement to the minority shareholders of the Corporation (the holders of common shares other than holders who are associates or affiliates of the Lender) (the "**Minority Shareholders**"). Evans opined that the terms of the 2015 Discharge Agreement were fair, from a financial point of view, to the Minority Shareholders. The Special Committee did not seek a valuation for the Loans as it was exempt from this requirement under MI 61-101 given that its securities were listed only on the TSX Venture Exchange and on no other stock exchange. A copy of the fairness opinion prepared by Evans was attached to the management proxy circular provided by the Corporation to shareholders in connection with the 2015 Special Meeting. The fairness opinion was also attached to the Circular as a "prior valuation" in accordance with Section 6.8 of MI 61-101. Certain details were not present during Evans' assessment of the market value of the Loans under the fairness opinion, such as the Corporation's decision to pursue a public listing on the HKSE and the treatment of the Loans under PRC laws. A comparison of the valuation

conclusions and key assumptions between the fairness opinion prepared by Evans and the Valuation is contained on page 19 of the Valuation.

Based in part on the advice of Evans, the 2015 Special Committee determined that the value of the Loans was greater than the value of the Preferred Shares, and the Special Committee unanimously recommended the 2015 Discharge Agreement to the Board of Directors. The Board of Directors approved the 2015 Discharge Agreement and the issuance of the Preferred Shares, and the shareholders of the Corporation approved the amendment to the Corporation's articles creating the Preferred Shares at a Special Meeting of Shareholders held on December 2, 2015 (the "**2015 Special Meeting**"). A press release relating to the transaction was issued on October 14, 2015 and a copy of the 2015 Discharge Agreement was filed by the Corporation on SEDAR as a material contract on October 14, 2015.

The Corporation decided to abandon the discharge of the Loans under the terms of the 2015 Discharge Agreement due to concerns of certain shareholders and staff of the Ontario Securities Commission that the Corporation did not seek approval of a majority of votes cast by Minority Shareholders of the 2015 Discharge Agreement at the 2015 Special Meeting (although it was not required to do so under MI 61-101).

Implications of Loan Discharge Resolution Not Being Approved by Shareholders

Based on the advice of the Sponsor and Changfeng's Hong Kong counsel, Changfeng expects that Loans would most likely not satisfy the HKSE listing requirements. Accordingly, if shareholders do not approve the Loan Discharge Agreement and the Loans are not discharged, the Corporation does not expect that it will pursue the HKSE listing application.

With respect to the Loans, in the event that shareholders do not approve the Loan Discharge Resolution, the Loans will continue to be governed by the Loan Agreements and the Subordination and Forbearance Agreement referred to above. Pursuant to the Subordination and Forbearance Agreement, the Original Lenders agreed that the Loans are subordinate to the claims of all other creditors of Offshore, that no demands would be made under the Loans for three years (until their due dates), and that the Lenders would enter into further agreements, containing the same terms and conditions, every three years, in perpetuity. On April 27, 2007, the Lenders agreed that no demands would be made under the Loans until April 27, 2010. On April 27, 2010, the Loans were renewed until April 27, 2013. On April 27, 2013, the Loan Agreements were renewed for another two years on the same terms and conditions. The Loan Agreements were subsequently extended on April 27, 2015 until April 27, 2016 and further extended on April 27, 2016 until April 27, 2017. On November 7, 2016, the Loans were transferred to Mr. Lin by the Original Lenders.

As noted above, the Lender has agreed with the Corporation not to demand payment until the shareholders have considered and voted on the Loan Discharge Resolution at the Meeting.

The Loans have not been renewed for three year successive terms in accordance with the Subordination and Forbearance Agreement in the past, as a result of a difference in view between the Lender and the Corporation as to whether the Lender was obliged to enter into such a renewal. The Loan Agreements are governed by the laws of the PRC, whereas the Subordination and Forbearance Agreement is governed by the laws of Ontario. Given that these agreements are governed by the laws of different jurisdictions, there is some uncertainty as to whether the courts of the PRC would enforce the Subordination and Forbearance Agreement governed by the laws of Ontario or a judgement of a court of the Province of Ontario. In the event that the Corporation sought to enforce the Subordination and Forbearance Agreement, it therefore anticipates that there would be uncertainty as to the result. Furthermore, such

enforcement action would likely result in material expense to the Corporation and potential reputational damage and negative impact on the trading price of the common shares. Rather than having taken steps to enforce its rights, the Corporation has agreed to renewal periods of less than three years and thereby avoided the expense, uncertainty and other potential risks of enforcement of the Subordination and Forbearance Agreement.

If the shareholders do not approve the Loan Discharge Resolution, it is possible that the Lender may not agree to renewal of the Loans and demand payment of the total amount outstanding of the Loans on the basis that their term has expired and they are due and payable. Alternatively, it is possible that the Lender could requisition a meeting of shareholders to consider a proposal to liquidate the Corporation, which, if approved, would result the payment of the total amount outstanding of the Loans upon liquidation, in priority to any payment to holders of the common shares. The Lender has not at any point in the past indicated that he would take steps to enforce payment of the Loans or requisition a meeting of shareholders to consider a proposal to liquidate the Corporation. Rather, the Lender has participated in the process of negotiating the Loan Discharge Agreement in order to facilitate the making of an application for listing of the common shares on the HKSE.

While the Corporation has no current basis to expect that the Lender would undertake the enforcement action or action to liquidate the Corporation described above, or take any other steps to achieve repayment of the Loans, there can be no assurance that the Lender would not do so. If such action were undertaken by the Lender, the cost of responding to such action and any adverse finding against the Corporation could result in a material adverse effect on the operating results and financial condition of the Corporation, the trading price of the common shares, the reputation of the Corporation, and the Corporation's relationships with third parties such as its current and potential business partners, suppliers, customers and other contractual counterparties.

If the Lender were to enforce payment of the Loans or institute proceedings to obtain approval by shareholders of a liquidation or take any other action to obtain repayment of the Loans, the Corporation expects that, in order to protect the interests of Minority Shareholders, in such circumstances, its independent directors would have oversight of the Corporation’s response to any such actions.

About Changfeng Energy Inc.

Changfeng Energy Inc. is a natural gas service provider with operations located throughout the People's Republic of China. The Corporation services industrial, commercial and residential customers, providing them with natural gas for heating purposes and fuel for transportation. The Corporation has developed a significant natural gas pipeline network as well as urban gas delivery networks, stations, substations and gas pressure regulating stations in Sanya City & Haitang Bay. Through its network of pipelines, the Corporation provides safe and reliable delivery of natural gas to both homes and businesses. The Corporation is headquartered in Toronto, Ontario and its shares trade on the Toronto Venture Exchange under the trading symbol “CFY”. For more information, please visit the Corporation’s website at www.changfengenergy.com.

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Forward-Looking Statements

Certain statements contained in this document constitute forward-looking statements and forward-looking information (collectively, "**Forward-Looking Statements**"). All statements, other than statements of historical fact, included or incorporated by reference in this document are Forward-Looking Statements, including statements regarding activities, events or developments that the Corporation expects or anticipates may occur in the future. These Forward-Looking statements can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words or the negative thereof. No assurance can be given that the plans, intentions or expectations or assumptions upon which these Forward-Looking Statements are based will prove to be correct and such Forward-Looking Statements included in the document should not be unduly relied upon. Forward-Looking Statements in this document include, but are not limited to: repayment of the Loans, the subscription, if any, by Mr. Lin for any common shares or other securities of the Corporation, the intention of the Corporation to pursue a listing on HKSE, and the listing of the common shares of the Corporation on the HKSE.

Although management believes that the expectations represented in such Forward-Looking Statements are reasonable, there can be no assurance that such expectations will prove to be correct. Such Forward-Looking Statements are not a guarantee of performance and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements or developments expressed or implied by such Forward-Looking Statements. These factors include, without limitation, no significant and continuing adverse changes in general economic conditions or conditions in the financial markets and no significant and continuing adverse changes in financial markets. Shareholders are cautioned that all Forward-Looking Statements involve risks and uncertainties, including those risks and uncertainties detailed in the Corporation's filings with applicable Canadian securities regulatory authorities, copies of which are available at www.sedar.com. The Corporation urges shareholders to carefully consider those factors.

The Forward-Looking Statements included in this document are made as of the date of this document and the Corporation disclaims any intention or obligation to update or revise any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and accordingly undue reliance should not be put on such.

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