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## **YUHUA ENERGY HOLDINGS LIMITED**

**裕華能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2728)**

### **PROPOSED ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE**

On 29 May 2019 (after trading hours), the Company, the Subscriber, Mr. Lin, Mr. Chen and Mr. Han entered into the Subscription Agreement, pursuant to which, on the terms and subject to the conditions therein, the Company has agreed to issue and the Subscriber has agreed to subscribe for the Convertible Notes in the aggregate principal amount of HK\$110,952,907.

Completion is subject to the fulfillment or waiver of the Conditions Precedent set out in the Subscription Agreement. Detailed terms of the Subscription Agreement and the Convertible Notes are set out in the paragraphs headed “Principal terms of the Subscription Agreement” and “Principal terms of the Convertible Notes”, respectively below.

As at the date of this announcement, the Company has a total of 3,094,517,408 Shares in issue. Assuming there is no further issue or repurchase of the Shares, based on the Conversion Price and assuming full conversion of the Convertible Notes at the Conversion Price, the Convertible Notes will be convertible into 603,004,929 Shares, representing approximately 19.49% of the issued share capital of the Company as at the date of this announcement and approximately 16.31% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes. The Conversion Shares will be allotted and issued pursuant to the General Mandate upon conversion of the Convertible Notes.

No listing of the Convertible Notes will be sought on the Stock Exchange or any other stock exchanges. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The estimated proceeds from the issue of the Convertible Notes are expected to be approximately HK\$110,952,907. The Company intends to use the proceeds from the issue of the Convertible Notes for redemption of the 2017 Notes and settlement of any outstanding indebtedness in relation thereto.

**Shareholders and potential investors should note that completion of the Subscription Agreement is subject to the fulfillment of the Conditions Precedent thereunder. As the issue of the Convertible Notes may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares or other securities of the Company.**

## **INTRODUCTION**

On 29 May 2019 (after trading hours), the Company, the Subscriber, Mr. Lin, Mr. Chen and Mr. Han entered into the Subscription Agreement. Details of the Subscription Agreement and the terms of the Convertible Notes are described below:

## **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT**

Date

29 May 2019 (after trading hours)

### **Parties**

- (1) the Company as issuer;
- (2) the Subscriber as subscriber;
- (3) Mr. Lin as guarantor;
- (4) Mr. Chen as guarantor; and
- (5) Mr. Han as guarantor.

To the best of the Directors' knowledge and having made reasonable enquiries, each of the Subscriber, its ultimate beneficial owners and Mr. Han are parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules). As at the date of this announcement, Mr. Lin is the chairman of the Board and a substantial Shareholder, and Mr. Chen is a substantial Shareholder.

### **Subscription of Convertible Notes**

Pursuant to the Subscription Agreement, the Company agreed to issue and the Subscriber agreed to subscribe for the Convertible Notes in the principal amount of HK\$110,952,907 at the Conversion Price of HK\$0.184.

## Conditions Precedent

The obligation of the Subscriber to subscribe for the Convertible Notes is subject to, among the others, the satisfaction or waiver of the following conditions precedent (the “**Condition Precedents**”) on or prior to the Completion Date:

- (a) the Subscriber having completed its due diligence review on the legal, financial, operational, business and other aspects of the Guarantors, the Company and its subsidiaries and is satisfied with the results;
- (b) the representations and warranties under the Subscription Agreement being true, correct and complete in all respects when made and remaining true, correct and complete and not misleading in all respects as at the Completion Date;
- (c) the Listing Committee having granted (either unconditionally or subject to conditions to which neither the Company nor the Subscriber objects) listing of and permission to deal in the Conversion Shares issuable by the Company upon exercise by the Holders of the Conversion Rights;
- (d) the compliance of any other requirements under the Listing Rules and the Takeovers Code or otherwise of the Stock Exchange and the SFC which requires compliance in relation to the Subscription Agreement and transactions contemplated hereunder (including but not limited to, the issue of the Convertible Notes, the execution of the Instrument, the issue of the certificates for the Convertible Notes, the grant of Specific Mandate (if required) and the issue and allotment of the Conversion Shares);
- (e) the Board having passed all necessary resolutions in approving, among other things, the Subscription Agreement and the transactions contemplated hereunder (including but not limited to, the issue of the Convertible Notes, the execution of the Instrument, the issue of the certificates for the Convertible Notes and the issue and allotment of the Conversion Shares);
- (f) (where required) the Company having obtained all necessary approvals and consents from any government or regulatory authority or any person and the completion of all necessary filings with any government or regulatory authority required for the entering into of the Subscription Agreement and/or the performance of its obligations hereunder by the Company (including but not limited to, the issue of the Convertible Notes, the execution of the Instrument, the issue of the Certificates for the Convertible Notes and the issue and allotment of the Conversion Shares);
- (g) each of Mr. Lin and Oriental Gold having duly executed the Share Charge and the related ancillary documents in form and substance satisfactory to the Subscriber in all respects;
- (h) none of the following events having occurred:
  - (i) the introduction of any new law or regulation or any prospective change in existing laws or regulations (or the judicial interpretation) in any relevant jurisdiction or other occurrence of any nature whatsoever which may, in the opinion of the

Subscriber, materially and adversely affect or is likely to have a material adverse effect on the business or the financial or trading position or prospects of the Group as a whole; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date thereof) of a political, military, financials, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the opinion of the Subscriber, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (iii) any suspension in the trading of the Company's securities on the Stock Exchange for any period, excluding any suspension in connection with the clearance of the announcement pertaining to the Subscription Agreement; or
  - (iv) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs; or
  - (v) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date; or
- (i) the Company having settled all fees (including legal fees) and expenses incurred by the Subscriber in connection with the entering into of the Subscription Agreement and the transactions contemplated hereunder.

Save for clauses (d), (e) and (f), all other Conditions Precedent may be waived by the Subscriber in whole or in part, provided that if the condition precedent under clause (c) is not satisfied, the transactions contemplated under the Subscription Agreement shall be adjusted accordingly such that the Convertible Notes will become a note without Conversion Rights until the Listing Committee having granted the requisite approval. The Company shall use its best endeavours to procure the fulfillment of the Conditions Precedent in clauses (a) to (g) and (i) (are fulfilled as early as practicable and in any event not later than 30 June 2019 or such other date as the Company and the Subscriber may agree in writing.

If the Conditions Precedent have not been fulfilled on or before 30 June 2019 or such other date as may be agreed in writing between the Company and the Subscriber, the Subscription Agreement will lapse and become null and void and the parties will be released from all obligations hereunder, save for liabilities for any antecedent breaches.

## **Guarantee**

Each of the Guarantors have jointly, severally, irrevocably and unconditionally:

- (a) guaranteed to the Subscriber the punctual performance by the Company of all its obligations under the Subscription Agreement;
- (b) undertaken with the Subscriber that, whenever the Company does not pay any amount when due to the Subscriber under or in connection with the Subscription Agreement, the Guarantor must immediately on demand by the Subscriber pay that amount as if the Guarantor was the principal obligor in respect of that amount; and
- (c) agreed with the Subscriber that if, for any reason, any amount claimed by the Subscriber is not recoverable from the Guarantor on the basis of a guarantee then the Guarantor shall be liable as joint and several principal debtor and primary obligor to indemnify the Subscriber in respect of any loss it incurs as a result of the Company failing to pay any amount expressed to be payable by it under the Subscription Agreement on the date when it ought to have been paid.

## **Completion**

Subject to the fulfillment or waiver (if applicable) of the Conditions Precedent, the Completion shall take place on the Completion Date.

## **PRINCIPAL TERMS OF THE CONVERTIBLE NOTES**

### **Issuer**

the Company

### **Principal Amount**

HK\$110,952,907

### **Form and Denomination**

The Convertible Notes are issued in registered form and will be in denominations of HK\$1,000,000 each (unless the amount remaining on exercise of the conversion rights or in consequence of any adjustment to the terms of the Instrument shall be less than HK\$1,000,000).

### **Issue Price**

100% of the aggregate principal amount of the Convertible Notes.

### **Coupon**

Until the Convertible Notes are fully converted or redeemed and cancelled, the Convertible Notes shall bear interest at the rate of ten (10) per cent per annum, which shall be payable by the Company in arrears on a semi-annually basis. The interest period shall commence on the Issue Date and in every six month thereafter to and including the Maturity Date.

## **Maturity Date**

The date falling on the First Anniversary Date of the Issue Date.

## **Transferability**

The Convertible Notes shall be transferable by a Holder to any person, in whole or in part, without obtaining prior written consent from the Company save for a connected person of the Company unless with the consent of the Stock Exchange. The Convertible Notes may be transferred in whole multiples of HK\$1,000,000 (or such lesser amount as may represent the entire principal amount).

## **Voting**

The holders of the Convertible Notes will not be entitled to attend or vote at any general meetings of the Company by reason only of being the holders of the Convertible Notes.

## **Ranking of the Convertible Notes and the Convertible Shares**

The Convertible Notes shall, upon their issuance, constitute a direct, unconditional, secured and unsubordinated obligation of the Company and rank *pari passu* and without preference among themselves.

The Conversion Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Conversion Shares.

## **Redemption**

### *By Maturity*

On the Maturity Date, the Company shall redeem any principal amount of the Convertible Notes which remains outstanding and not previously redeemed or converted into Conversion Shares by paying to each Holder at 100% of the outstanding principal amount of the Convertible Notes held by such Holder, plus accrued interest.

### *By Purchase*

The Company or any of its subsidiaries may at any time and from time to time purchase the Convertible Notes at any price as agreed between the Company or such of its subsidiaries and the relevant Holder. Any purchase by tender shall be made available to all Holders alike.

### *Early Redemption by Company*

The Company shall be entitled at its sole discretion, by giving not less than 5 days notice (the “**Early Redemption Notice**”) to the Holders, to redeem all or part of the outstanding Convertible Notes at the principal amount of the outstanding Convertible Notes at any time after the Issue Date together with interest accrued to the date fixed for redemption as set out in the Early Redemption Notice. The Early Redemption Notice, once delivered shall be irrevocable unless the Holder consents to its withdrawal.

### *Occurrence of Event of Default*

If any of the event of default occurs, the Holder may give notice to the Company that the Convertible Notes are, and it shall on the giving of such notice immediately become, due and payable at its principal amount together with all accrued interest calculated up to and including the date of repayment and all other sums payable under the Convertible Notes.

Upon the redemption of the full outstanding principal amount of the Convertible Notes, the right of the Holders to convert the Convertible Notes shall be extinguished and released.

### **Conversion Rights**

The conversion rights attaching to the Convertible Notes shall only be exercisable so long as, among others, (i) it will not result in the Company's non-compliance with the minimum public shareholding requirement under the Listing Rules and/or other provisions of the Listing Rules; (ii) it does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Holder and any parties acting in concert with it (as defined under the Takeovers Code) and (iii) the Board shall have sufficient general mandate for issuing new Conversion Shares upon conversion of the Convertible Notes.

The maximum number of Conversion Shares issuable upon conversion of the Convertible Notes shall be subject to the General Mandate Threshold.

### **Security of the Convertible Notes**

Each of the Guarantors has jointly, severally unconditionally and irrevocably guaranteed the due and punctual payment of all sums expressed to be payable by the Company under the Convertible Notes.

Further, as a Condition Precedent to the Completion of the Subscription Agreement and security for the due and punctual payment of the Convertible Notes and performance by the Company of its obligations under or arising out of the Subscription Agreement and the Instrument, each of Mr. Lin and Oriental Gold, a company wholly-owned by Mr. Chen, will execute the Share Charge on the 928,284,839 Shares and 892,768,273 Shares held by them respectively as a continuing security for payment and discharge of the outstanding principal amount of the Convertible Notes and performance by the Company pursuant to the Subscription Agreement.

As at the date of this announcement, Mr. Lin is the chairman of the Board, an executive Director and a substantial Shareholder; and Oriental Gold is a substantial Shareholder. Accordingly, both Mr. Lin and Oriental Gold are connected persons of the Company and the Share Charges to be provided by them constitutes connected transactions of the Company. Nonetheless, since the Share Charges will be provided by Mr. Lin and Oriental Gold on normal commercial terms or better to the Group, and do not required to be secured by the assets of the Group, such Share Charges provided by Mr. Lin and Oriental Gold is fully exempt from the announcement, shareholders' approval and annual review requirements pursuant to Rule 14A.90 of the Listing Rules.

## **Conversion Price**

The initial conversion price (“**Conversion Price**”) of HK\$0.184 per Conversion Share represents:

- (1) same as the closing price of HK\$0.184 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (2) a premium of approximately 103.54% to the average closing price of HK\$0.0904 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately before the date of the Subscription Agreement.

The Conversion Price was determined after arm’s length negotiations between the Company and Subscriber with reference to, among others, the prevailing market price of the Shares.

The Conversion Price will be subject to adjustment for, among other matters, sub-division, consolidation and reclassification of Shares, issue of Shares in lieu of the whole or any part of a specifically declared cash dividend, capital distributions, issue of convertible securities, issue of new shares in discount, consideration issues and other dilutive events.

## **USE OF PROCEEDS**

The gross proceeds and the net proceeds from the issue of the Convertible Notes will be HK\$110,952,907. Therefore, the net issue price per Conversion Share is estimated to be approximately HK\$0.184 based on the Conversion Price assuming the conversion of the Convertible Notes into the Conversion Shares in full. The Company intends to use the net proceeds for redemption of the 2017 Notes and settlement of any outstanding indebtedness in relation thereto.

## **EQUITY FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

Assuming there is no further issue or repurchase of the Shares, based on the Conversion Price and assuming full conversion of the Convertible Notes at the Conversion Price, the Convertible Notes will be convertible into 603,004,929 Conversion Shares, representing approximately 19.49% of the issued share capital of the Company as at the date of this announcement and approximately 16.31% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The following table illustrates (i) the existing shareholding structure of the Company; and (ii) the shareholding structure immediately after the issue of the Convertible Notes and assuming full conversion of the Convertible Notes into Conversion Shares and no other changes in the issued share capital of the Company:

	<b>(i) As at the date of this announcement</b>		<b>(ii) Immediately upon completion of the issuance of the Convertible Notes and assuming full conversion of the Convertible Notes into Conversion Shares</b>	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
Mr. Lin	928,284,839	29.998%	928,284,839	25.106%
The Subscriber	0	0%	603,004,929	16.308%
Oriental Gold ( <i>Note</i> )	892,768,273	28.850%	892,768,273	24.145%
Other shareholders	<u>1,273,464,296</u>	<u>41.152%</u>	<u>1,273,464,296</u>	<u>34.441%</u>
Total	<u><u>3,094,517,408</u></u>	<u><u>100.0%</u></u>	<u><u>3,697,522,337</u></u>	<u><u>100.0%</u></u>

*Note:*

As at the date of this announcement, Oriental Gold is wholly-owned by Mr. Chen.

## **GENERAL MANDATE TO ISSUE SHARES**

The Conversion Shares will be issued under the General Mandate. As at the date of this announcement, the Directors have not exercised the power to allot and issue any Shares pursuant to the General Mandate. Accordingly, as at the date of this announcement, the Company is entitled to issue up to 618,903,481 Shares pursuant to the General Mandate. The General Mandate will be utilised as to approximately 19.49% after allotment and issue of the 603,004,929 Conversion Shares in full at the initial Conversion Price.

## **APPLICATION FOR LISTING APPROVAL**

No listing of the Convertible Notes will be sought from the Stock Exchange or any other stock exchange. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

## **INFORMATION OF THE GROUP**

As at the date of this announcement, the Group is principally engaged in speakers trading and energy trading businesses.

## **INFORMATION OF THE SUBSCRIBER AND THE GUARANTORS**

Win Win International Strategic Investment Funds SPC (for the account and on behalf of Win Win Stable No. 1 Fund SP), is an exempted segregated portfolio company incorporated in the Cayman Islands with limited liability and is principally engaged in asset management.

Mr. Lin is the chairman of the Board, an executive Director and a substantial shareholder who holds 928,284,839 Shares, representing approximately 29.998% of the issued share capital of the Company as at the date of this announcement.

Mr. Chen is the sole owner of Oriental Gold, a substantial shareholder who holds 892,768,273 Shares, representing 28.85% of the issued share capital of the Company as at the date of this announcement.

Mr. Han, resident of the People's Republic of China who principally engages in business in energy industry.

## **REASONS FOR AND BENEFITS OF THE ISSUE OF THE CONVERTIBLE NOTES**

As set out in the section headed "Use of Proceeds" above, the Company intends to use the net proceeds from the issuance of the Convertible Notes in redemption of the 2017 Notes and settlement of any outstanding indebtedness in relation thereto, which is crucial for the Company to optimise its future operations.

On the above premises, the Directors (including the independent non-executive Directors) are of the view that the Terms and Conditions (i) have been negotiated on an arm's length basis; and (ii) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **GENERAL**

**Shareholders and potential investors should note that completion of the Subscription Agreement is subject to the fulfilment of the Conditions Precedent. As the issue of the Convertible Notes may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares or other securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

"2017 Notes"	the HK\$100,000,000 6% notes due 2019 issued by the Company in 2017
"Anniversary Date"	each anniversary date of the Issue Date and if such date is not a Business Day, the Business Day immediately following such date

“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are open for general business, other than: <ul style="list-style-type: none"> <li>(i) a Saturday, a Sunday or a public holiday; or</li> <li>(ii) a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.</li> </ul>
“Company”	Yuhua Energy Holdings Limited (Stock Code: 2728), a company incorporated in the Cayman Islands whose Shares are listed on the Stock Exchange
“Completion”	the completion of the issuance and subscription of the Convertible Notes, which shall take place on the Completion Date
“Completion Date”	the third Business Days after all the Conditions Precedent to the Subscription Agreement are fulfilled (or waived in accordance with the terms of the Subscription Agreement) or such other date as may be agreed by the Company and the Subscriber in writing
“Conversion Period”	the period from the day immediately following the Issue Date and up to 4 p.m. (Hong Kong time) on the Maturity Date
“Conversion Shares”	the Shares which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes
“Convertible Notes”	the Convertible Notes in the aggregate principal amount of HK\$110,952,907 to be issued by the Company to Subscriber pursuant to the Subscription Agreement
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 25 May 2018, pursuant to which a maximum of 618,903,481 new Shares may fall to be allotted and issued as at the date of this announcement, and the “General Mandate Threshold” shall mean the threshold of 618,903,481 Shares (subject to consolidation or subdivision) or such number of Shares which may be permissible to be issued under the General Mandate

“Governmental Authority”	any government (or political subdivision of it), whether on a state, provincial, municipal or local level and whether executive, legislative or judicial in nature, including (without limitation) any agency, authority, board, bureau, commission, court, department or any other instrumentality
“Group”	the Company and its subsidiaries
“Guarantors”	collectively, Mr. Lin, Mr. Chen and Mr. Han
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holder”	a person in whose name a Convertible Note is registered in the register of holders of Convertible Notes (or in the case of joint holders, the first named thereof)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Instrument”	instrument of the Convertible Notes which contains the terms and conditions of the Convertible Notes
“Issue Date”	the date on which the Convertible Notes are issued, which shall be the Completion Date
“Law”	<ul style="list-style-type: none"> <li>(i) any law, statute or statutory provision, regulation, rule (other than Listing Rules), constitutional provision, treaty or rule of common law or equity;</li> <li>(ii) any order, notice or decree of any Governmental Authority or other matter of any kind having the force of law; or</li> <li>(iii) any order, decree, judgment or award of any court, tribunal or arbitrator of a competent jurisdiction</li> </ul>
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Mr. Chen”	Mr. Chen Jinle, the sole owner of Oriental Gold, a substantial Shareholder
“Mr. Han”	Mr. Han Jinfeng, resident of the People’s Republic of China who principally engages in business in energy industry
“Mr. Lin”	Mr. Lin Caihuo, the chairman of the Board, an executive Director and a substantial Shareholder as at the date of this announcement

“Oriental Gold”	Oriental Gold Honour Joy International Holdings Limited, a company incorporated in the British Virgins Islands wholly-owned by Mr. Chen and a substantial Shareholder
“SFC”	Securities and Futures Commission in Hong Kong
“Share(s)”	fully paid ordinary shares in the share capital of the Company with a nominal value of HK\$0.00125 each, or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares
“Share Charges”	the charges over 928,284,839 Shares and 892,768,273 Shares to be executed by Mr. Lin and Oriental Gold, respectively, in favour of the Subscriber as security for the obligations under the Convertible Notes
“Shareholder”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Win Win International Strategic Investment Funds SPC, (for the account and on behalf of Win Win Stable No. 1 Fund SP), is an exempted segregated portfolio company incorporated in the Cayman Islands with limited liability
“Subscription Agreement”	the subscription agreement dated 29 May 2019 and entered into among the Company, the Subscriber and the Guarantors relating to the subscription of the Convertible Notes
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers and Share Buy-backs published by the SFC
“Transaction Documents”	the Subscription Agreement, the Instrument and the certificate issued to each of the Holders in respect of its registered holding of the Convertible Notes

By Order of the Board  
**Yuhua Energy Holdings Limited**  
**Lin Caihuo**  
*Chairman*

Hong Kong, 29 May 2019

*As at the date of this announcement, the Company has two executive Directors, namely Mr. Lin Caihuo (Chairman) and Mr. Wang Enguang, one non-executive Director, namely Mr. Wang ShouLei and two independent non-executive Directors, namely Mr. Liu Yang and Mr. Xu Changyin.*