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YUHUA ENERGY HOLDINGS LIMITED

裕華能源控股有限公司

(formerly known as Shinhint Acoustic Link Holdings Limited 成謙聲匯控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2728)

CLARIFICATION ANNOUNCEMENT AND REVISED TIMETABLE IN RELATION TO PROPOSED BONUS ISSUE, PROPOSED CHANGE IN BOARD LOT SIZE AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

Reference is made to the announcement of Yuhua Energy Holdings Limited (the “**Company**”) dated 17 September 2015 in relation to, inter alia, proposed bonus issue of shares and change in board lot size (the “**17 September Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the 17 September Announcement unless the context herein requires otherwise.

CLARIFICATION ON THE 17 SEPTEMBER ANNOUNCEMENT

With reference to an article (the “**Article**”) published on www.webb-site.com, which referred to certain statements made by the Company in the 17 September Announcement, the Board would like to make certain clarifications in response to the Article.

The Article made certain comments on corporate actions (in particular, bonus issues and stock splits) conducted by Hong Kong listed companies generally as well as the Bonus Issue and the Change in Board Lot Size proposed to be conducted by the Company. In the Article, reference is made to the paragraph headed “Proposed Bonus Issue – Reasons for the Bonus Issue” in the 17 September Announcement which provided that the Bonus Issue would result in downward adjustment to the trading price of the Shares so that the market value per board lot of Shares could be reduced to appeal to more investors and accordingly, the trading liquidity of the Shares in the market may be enhanced and that the Bonus Issue is in the interests of the Company and the Shareholders as a whole (the “**Statement**”). The author of the Article pointed out that, taking into account the proposed Change in Board Lot Size from 4,000 Shares to 18,000 Shares, the market value per board lot of Shares is not reduced upon completion of the Bonus Issue and the Change in Board Lot Size and the trading liquidity of the Shares may not be enhanced. Based on the aforesaid, it was alleged that the two corporate actions proposed by the Company as a whole might have failed to achieve its intended purposes and that the Statement was false and misleading.

The Board would like to respond to the Article and make the following clarifications in relation to the 17 September Announcement:

- (1) The paragraph headed “Proposed Bonus Issue – Reasons for the Bonus Issue” in the 17 September Announcement, in particular, the Statement, is a general statement with respect to the reasons for and benefits of the Bonus Issue per se under the existing board lot size (4,000 Shares). The Statement is intended to be a discussion on the reasons for and benefits of the Bonus Issue only and is separate from that of the proposed Change in Board Lot Size. Based on the existing board lot size of 4,000 Shares and the closing price of HK\$1.49 per Share on 17 September 2015 (equivalent to a theoretical entitlement price of approximately HK\$0.497 per Share upon allotment and issue of the Bonus Shares), the market value of each board lot of 4,000 Shares will decrease from HK\$5,960 to HK\$1,988. As such, the disclosure in the 17 September Announcement that “the market value per board lot of Shares can be reduced” in the Statement is accurate.

- (2) To enable the Shareholders and public to understand the combined effect of the Bonus Issue and the Change in Board Lot Size on the market value per board lot of Shares before and after the implementation of the Change in Board Lot Size, the Board would like to add that the market value per board lot of Shares after both (i) completion of the Bonus issue and (ii) implementation of the Change in Board Lot Size from 4,000 Shares to 18,000 Shares, on the basis of the closing price of HK\$1.49 per Share on 17 September 2015 (equivalent to a theoretical ex-entitlement price of approximately HK\$0.497 per Share upon allotment and issue of the Bonus Shares), the market value per board lot of Shares will increase from HK\$5,960 to HK8,946.
- (3) Irrespective of an increase in market value per board lot of Shares after the Change in Board Lot Size becomes effective, the number of Shares to be held by the public Shareholders will increase. As the price of the Shares will be reduced from HK\$1.49 to HK\$0.497 which is in proportion to the issue of the Bonus Shares, the Board is of the view that an increase in the trading volume of the Shares could be seen following the Bonus Issue and therefore the Shares are likely to experience increased liquidity as a result. Based on the aforesaid, the Board reaffirms its view as disclosed in the 17 September Announcement that the Bonus Issue and the Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

REVISED EXPECTED TIMETABLE

In addition, as the proposed new board lot size of 18,000 Shares is not a multiple of the existing board lot size of 4,000 Shares, parallel trading will be required to eliminate odd lots. Set out below is the revised expected timetable for the Bonus Issue, Change in Board Lot Size and Increase in Authorised Share Capital:

2015

Despatch of circular and notice of the EGM on or before Thursday, 8 October

Latest time for lodging transfer of Shares for
 registration in order to be entitled to attend the EGM 4:30 p.m. on Friday, 23 October

Latest time to return form of proxy for the EGM 10:30 a.m. on Monday, 26 October

Closure of register of members of the Company for attending the EGM	Monday, 26 October – Wednesday, 28 October (both days inclusive)
Record date for attending and voting at the EGM	Wednesday, 28 October
Date and time of the EGM	10:30 a.m. on Wednesday 28 October
Publication of poll results announcement of the EGM	Wednesday 28 October
Last day of dealings in Shares cum-entitlements to the Bonus Shares	Thursday, 29 October
First day of dealings in Shares ex-entitlements to the Bonus Shares	Friday, 30 October
Free exchange of existing share certificates for new share certificates commences	Friday, 30 October
Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue	4:30 p.m. on Monday, 2 November
Closure of register of members of the Company for determining entitlement to the Bonus Shares	Tuesday, 3 November – Thursday, 5 November (both days inclusive)
Record Date for determination of entitlement to the Bonus Shares	Thursday, 5 November
Register of members of the Company re-opens	Friday, 6 November
Certificates for the Bonus Shares expected to be despatched on or before	Thursday, 12 November

Last day for trading of the Shares in board lot of 4,000 Shares	Thursday, 12 November
Dealings in Bonus Shares commence	9:00 a.m. on Friday, 13 November
Effective date of change of board lot size from 4,000 Shares to 18,000 Shares	9:00 a.m. on Friday, 13 November
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Friday, 13 November
Original counter for trading of Shares with existing board lot size of 4,000 Shares becomes a counter for trading in new board lot size of 18,000 Shares	9:00 a.m. on Friday, 13 November
Temporary counter for trading in old board lot size of 4,000 Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 13 November
First day of parallel trading	9:00 a.m. on Friday, 13 November
Temporary counter for trading old board lot size of 4,000 Shares (in the form of existing share certificates) closes	4:00 p.m. on Thursday, 3 December
Parallel trading (in the form of new and existing share certificates) ends	4:00 p.m. on Thursday, 3 December
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares.	4:00 p.m. on Thursday, 3 December
Free exchange of existing share certificates for new share certificates ends	Monday, 7 December

From Friday, 13 November 2015, any new share certificates will be issued in board lots of 18,000 Shares (except for odd lots or where the Company's branch share registrar is otherwise instructed). All existing share certificates in board lots of 4,000 Shares will continue to be evidence of title to such Shares and be valid for delivery, transfer, trading and settlement purposes. Save and except for the change in number of Shares for each board lot, new share certificate will have the same format and color as the existing share certificate.

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Save as disclosed above, the Board confirms that the above does not affect other information contained in 17 September Announcement.

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

Hong Kong, 23 September 2015

As at the date of this announcement, the Company has two executive Directors, namely Mr. Lin Caihuo (Chairman), and Mr. Wang Enguang, and three independent non-executive Directors, namely Mr. Liu Yang, Mr. Lum Pak Sum and Mr. Zhang Jiping.