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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)

TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Background

Reference is made to the circular (the “**Circular**”) of Yuhua Energy Holdings Limited (the “**Company**”) dated 8 January 2014 in relation to, *inter alia*, the Disposal Agreement and the R&D Service Agreement. Capitalised terms herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Pursuant to the Disposal Agreement, Shinhint Technology would enter into the R&D service Agreement with TSAT for the provision of research and development services to TSAT upon Completion. Accordingly, on 28 February 2014, Shinhint Technology and TSAT entered into the R&D Service Agreement, which constituted continuing connected transactions under the Listing Rules.

Termination of the R&D Service Agreement

On 6 August 2015, Shinhint Technology and TSAT mutually agreed and entered into a termination deed (the “**Termination Deed**”) to terminate the R&D Service Agreement (“**Termination**”) with effect from 6 August 2015.

The Directors confirm that neither Shinhint Technology nor TSAT has to pay the other party any penalty and/or compensation as a result of the Termination.

Reasons for entering into the Termination Deed

Shinhint Technology was informed by TSAT that TSAT had built up its own research & development resource. Thus, both parties agreed to terminate the R & D Service Agreement on 6 August 2015 after discussion.

The Board (including the independent non-executive Directors) is of the view that the terms of the Termination Deed were arrived at after arm’s length negotiations, the Termination Deed was entered into on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The Termination will not cause any material adverse impact on the existing business, operation or financial condition of the Group.

No Director has material interests in the continuing connected transactions contemplated under the Termination Deed thus no Director has abstained from voting on the Board resolutions for approving the Termination Deed.

Implications under the Listing Rules

Since the continuing connected transactions contemplated under the R&D Service Agreement was terminated, the Company issued this announcement pursuant to the requirement under the Note to Rule 14A.35 of the Listing Rules.

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

Hong Kong, 6 August, 2015

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