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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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR CHANGE IN COMPOSITION OF AUDIT COMMITTEE

The board (the “**Board**”) of directors (the “**Director(s)**”) of Yuhua Energy Holdings Limited (the “**Company**”) is pleased to announce that, Mr. Tche Heng Hou Kevin (“**Mr. Tche**”) has been appointed as (1) an independent non-executive Director and (2) the chairman of the audit committee (the “**Audit Committee**”) of the Company with effect from 25 June 2019.

Set out below is the biography of Mr. Tche:

Mr. Tche, aged 58, obtained a master of professional accounting degree from University of Polytechnic Hong Kong in December 2005. Mr. Tche was admitted as an associate of Association of Chartered Certified Accountants in March 1997 and a certified public accountant of the HKICPA in April 1997. In addition, he was admitted as a fellow member of Association of Chartered Certified Accountants in March 2002. He obtained the Practicing Certificate of HKICPA in January 1999 and was qualified as the Certified Dealmaker of the China Mergers & Acquisitions Association in February 2015.

He has many years of experience in accounting, auditing and corporate financial management. From 1989, he worked for Allied Overseas Investment Limited as a group finance manager. From May 1990 to July 1997, he worked for Distribution Services Limited as a group finance manager. From August 1997 to March 2000, he worked as an audit manager for Baker Tilly, a leading provider of accountancy and business services principally engaged in audit assurance, advisory and pre-IPO assignments. From March 2000 to January 2001, he served as a group financial controller, Asia Pacific Region, of USF Asia Group Limited. From February 2001 to December 2003, Mr. Tche worked as a regional financial controller of Hong Kong and China offices for ABX Logistics (Hong Kong) Limited. From February 2005 to October 2007, he served as a Finance Manager for South Mainland China Region of BAX Global Hong Kong, a subsidiary of Brinks group, which is listed on the main board of New York Stock Exchange. From April 2009 to December 2012, he worked as a finance director of Yatfai Group Limited.

Mr. Tche started up his accountancy and business consultancy firm in January 2013, which principally provided audit, assurance, taxation, management consulting, advisory and corporate services.

Mr. Tche does not hold any directorship in any public companies where the securities of which are listed on any securities markets in Hong Kong or overseas in the last three years or any other positions with the Company and other members of the Group or have other major appointments and professional qualifications.

Mr. Tche does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and he has no interests in the shares of the Company which are required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Mr. Tche has entered into an appointment letter with the Company for a term of one year commencing on 25 June 2019 subject to rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company. The director’s fee of Mr. Tche is HK\$15,000 per month, which is determined with reference to his responsibilities and prevailing market rate.

Mr. Tche has met the independence criteria set out in Rule 3.13 of the Listing Rules and there are no other matters relating to the appointment of Mr. Tche that need to be brought to the attention of the shareholders of the Company and the Stock Exchange and there is no other information that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

The Board would like to take this opportunity to express its warmest welcome to Mr. Tche.

COMPLIANCE WITH RULES 3.10 AND 3.21 OF THE LISTING RULES

As disclosed in the announcement of the Company dated 25 April 2019, immediately after the resignation of Mr. Lum Pak Sum, the Company only had two independent non-executive Directors, which fell below the minimum number requirement of independent non-executive Directors and that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10 and 3.21 of the Listing Rules. The Company also only had two Audit Committee members which fell below the minimum number of committee members requirement under Rule 3.21 of the Listing Rules.

Upon the above appointment, (1) the Board has three independent non-executive Directors, namely, Mr. Tche Heng Hou Kevin, Mr. Liu Yang and Mr. Xu Changyin and (2) the Audit Committee comprises three independent non-executive Directors, namely Mr. Tche Heng Hou Kevin (chairman), Mr. Liu Yang and Mr. Xu Changyin. Therefore, the compositions of the Board and the Audit Committee are in compliance with the requirements under Rule 3.10(1) and Rule 3.21 of the Listing Rules respectively.

By order of the Board
Yuhua Energy Holdings Limited
Yuan Hongbing
Executive Director

Hong Kong, 26 June 2019

As at the date of this announcement, the Company has three executive Directors, namely Mr. Lin Caihuo (Chairman), Mr. Chen Jinle and Mr. Yuan Hongbing, one non-executive Director, namely Mr. Wang Shoulei, and three independent non-executive Directors, namely Mr. Tche Heng Hou Kevin, Mr. Liu Yang and Mr. Xu Changyin.