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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)**

**LIN CAIHUO**

## **JOINT ANNOUNCEMENT**

### **(1) COMPLETION OF THE ACQUISITION OF SHARES IN YUHUA ENERGY HOLDINGS LIMITED BY THE OFFEROR; AND (2) IRREVOCABLE UNDERTAKINGS FROM OPTIONHOLDERS**

**Financial adviser to the Offeror**



Reference is made to the joint announcement (the “**Joint Announcement**”) dated 23 May 2016 issued by the Company and the Offeror in relation to, among other things, the increase in shareholding in the Company by the Offeror and the possible mandatory conditional cash offers by Brilliant Norton for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him) and cancel all outstanding Share Options. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

## **COMPLETION OF THE SALE AND PURCHASE AGREEMENT**

On 26 May 2016, completion of the Share Acquisition took place. Pursuant to a sale and purchase agreement entered into between the Offeror and the Seller on 17 May 2016, a total of 28,000,000 Shares, representing approximately 3.62% of the entire issued share capital of the Company as at the date of this joint announcement were transferred by the Seller to the Offeror for an aggregate consideration of HK\$26,040,000, equivalent to HK\$0.93 per Share.

Immediately upon completion of the Share Acquisition, the Offeror and parties acting in concert with him (including but not limited to Excel Precise and Mr. Law) became interested in a total of 237,418,946 Shares, representing approximately 30.69% of the entire issued share capital of the Company. Accordingly, the Offeror is required to make a mandatory conditional cash offer for (i) all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him); and (ii) cancellation of all outstanding Share Options pursuant to Rules 26.1 and 13.5 of the Takeovers Code.

Brilliant Norton will, on behalf of the Offeror and in compliance with the Takeovers Code, make (i) the Share Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him) at the Share Offer Price; and (ii) the Option Offer for the cancellation of all the Share Options at the Option Offer Price.

## **IRREVOCABLE UNDERTAKINGS**

On 25 May 2016, Optionholders holding an aggregate of 38,500,000 Share Options had issued irrevocable undertakings (the “**Undertakings**”) to the Offeror whereby each Optionholder has irrevocably and unconditionally undertaken not to exercise any of his or her Share Options from the date of the Undertakings and until the close of the Offers (or the Offers lapse or are withdrawn). Accordingly, there will not be any dealing in the Share Options and no Shares will be allotted and issued for the Share Options or any part thereof and be made available for acceptance under the Share Offer. The Undertakings will lapse and cease to have effect on the earlier of (i) the Offers lapse or are withdrawn or (ii) the close of the Offers. Save for the aforesaid, there is no other circumstance under which the Undertakings will cease to be binding. The Undertakings did not restrict the Optionholders in respect of the acceptance of the Option Offer. Pursuant to the rules of the share option scheme of the Company and the

offer letters to the Optionholders, the Share Options were offered to the Optionholders in their personal capacity as an employee of the Company or any of its subsidiaries and they shall not transfer, assign or dispose of to any person, or create any charge, pledge, lien or other encumbrances whatsoever in respect of the Share Options or any part thereof. In view of the Undertakings, the 38,500,000 outstanding Share Options will not be exercised up to the close of the Offers. Hence, the number of Offer Shares to be subject to the Share Offer is 536,210,406 Shares.

By order of the board of  
**Yuhua Energy Holdings Limited**  
**Wang Enguang**  
*Executive Director*

**Lin Caihuo**

Hong Kong, 26 May 2016

*As at the date of this joint 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with him) and confirm that, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with him) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*The Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms that, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*