
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yuhua Energy Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO
ISSUE NEW SHARES AND BUY-BACK SHARES;**
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(3) CHANGE OF AUDITORS;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at Room 2207, 22/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Friday, 27th May, 2016 at 10:30 a.m. is set out on pages 14 to 18 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the offices of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

21st April, 2016

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
Introduction	3
General Mandate and Buy-back Mandate	4
Re-election of Directors	5
Change of Auditors	6
Poll Voting at Annual General Meeting	7
Recommendation	7
General	7
 Appendix I – Explanatory Statement	
	8
 Appendix II – Details of Directors proposed to be re-elected at the Annual General Meeting	
	11
 Notice of Annual General Meeting	
	14

DEFINITIONS

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

“Annual General Meeting” or “Meeting”	the annual general meeting of the Company to be held at Room 2207, 22/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Friday, 27th May, 2016 at 10:30 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an article of the Articles of Association
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to buy-back Shares up to a maximum of 10% of the aggregate number of the Shares in issue as at the date of passing of the resolution approving the Buy-back Mandate
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Yuhua Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the Annual General Meeting to issue further new Shares not exceeding 20% of the issued share capital of the Company at the date of the passing of the resolution approving the General Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14th April, 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Lin Caihuo (*Chairman of the Board*)

Mr. Wang Enguang

Independent Non-Executive Directors:

Mr. Liu Yang

Mr. Lum Pak Sum

Mr. Zhang Jiping

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Room 2207, 22nd Floor

Harbour Centre

25 Harbour Road

Wanchai

Hong Kong

21st April, 2016

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO
ISSUE NEW SHARES AND BUY-BACK SHARES;
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(3) CHANGE OF AUDITORS;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to give you details of the following proposals which, together with other ordinary business, will be proposed at the Annual General Meeting for consideration and, where appropriate, approval of the Shareholders:

- (a) to grant the General Mandate to the Directors;
- (b) to grant the Buy-back Mandate to the Directors;

LETTER FROM THE BOARD

- (c) to re-elect the Directors;
- (d) to change the auditors of the Company; and
- (e) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Buy-back Mandate.

The notice of Annual General Meeting Notice is set out on pages 14 to 18 of this circular

GENERAL MANDATE AND BUY-BACK MANDATE

At the annual general meeting of the Company held on 29th May, 2015, resolutions were passed by the Shareholders, among other things, to grant general and unconditional mandates to the Directors to exercise the power to allot, issue and otherwise deal with Shares and to buy-back Shares. Such general mandates will lapse at the conclusion of the Annual General Meeting. Accordingly, the Company proposes to seek approval of the Shareholders at the Annual General Meeting to grant new general mandates to the Directors to exercise the above powers.

The General Mandate and the Buy-back Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Buy-back Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I to this circular.

LETTER FROM THE BOARD

General Mandate

The Company has in issue an aggregate of 773,629,352 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 154,725,870 Shares, representing 20% of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or bought-back by the Company prior to the Annual General Meeting.

Subject to the passing of the proposed resolutions for the approval of the General Mandate and the Buy-back Mandate, an ordinary resolution will also be proposed to authorise the Directors to extend the General Mandate so granted to the Directors by adding thereto any Shares bought-back by the Company pursuant to the Buy-back Mandate.

As at the Latest Practicable Date, the Directors have no immediate plans to issue any new Shares other than any Shares which may fall to be issued under the share option scheme or any scrip dividend scheme which may be approved by the Shareholders.

Buy-back Mandate

At the Annual General Meeting, an ordinary resolution will be proposed to grant the Buy-back Mandate to the Directors. Subject to the passing of the proposed resolution for the approval of the Buy-back Mandate and in accordance with the terms therein, the Company would be allowed to buy-back up to a maximum of 77,362,935 Shares, representing 10% of the issued Shares at the time of the passing of the resolution approving the Buy-back Mandate assuming that no further Shares will be issued or bought-back by the Company prior to the Annual General Meeting.

RE-ELECTION OF DIRECTORS

According to article 87 of the Articles of Association, one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election.

LETTER FROM THE BOARD

In accordance with article 87 of the Articles of Association, Mr. Lin Caihuo and Mr. Wang Enguang shall retire from their office by rotation at the Annual General Meeting. Being eligible, Mr. Lin Caihuo and Mr. Wang Enguang will offer themselves for re-election at the Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed to re-elect Mr. Lin Caihuo and Mr. Wang Enguang, respectively as Directors.

Particulars relating to Mr. Lin Caihuo and Mr. Wang Enguang are set out in Appendix II to this circular.

CHANGE OF AUDITORS

Reference is made to the announcement of the Company dated 30 March 2016 relating to the proposed change of auditors of the Company. Cheng & Cheng Limited (“**Cheng & Cheng**”) will retire as auditors of the Company upon expiration of its current term of office at the conclusion of the Annual General Meeting.

The Board has resolved, with the recommendation of the audit committee of the Company, to propose to appoint PricewaterhouseCoopers (“**PwC**”) as the new auditors of the Company to fill the vacancy following the retirement of Cheng & Cheng and to hold office until the conclusion of the next annual general meeting of the Company in the year 2017, subject to the approval of the Shareholders at the Annual General Meeting.

The Board is of the view that an international audit firm could provide better support and more auxiliary services to the Group to cope with its business development strategies. Having regard to the resources and experience of PwC, it would be in the best interests of the Company and the Shareholders as a whole to appoint PwC as the new auditor of the Group.

Cheng & Cheng has confirmed to the Company in writing that it was not aware of any matters in relation to the proposed change of auditors that need to be brought to the attention of the Shareholders. The Board has also confirmed that there was no disagreement or unresolved matters between Cheng & Cheng and the Company and there were no relevant matters in relation to the change of auditors that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its gratitude to Cheng & Cheng for its valuable contributions to the Company in the past years.

LETTER FROM THE BOARD

POLL VOTING AT ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, at the Annual General Meeting, the chairman of the Meeting will exercise his power under article 66 of the Articles of Association to put each of the resolutions set out in the notice of Annual General Meeting to be voted by way of poll.

RECOMMENDATION

The Directors consider that the proposed grant of the General Mandate and the Buy-back Mandate, the extension of the General Mandate by the Shares bought-back pursuant to the Buy-back Mandate, the proposed re-election of Directors and the proposed change of auditors of the Company are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the Annual General Meeting.

GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

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

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Buy-back Mandate.

1. BUY-BACK OF SHARES FROM CORE CONNECTED PARTIES

The Listing Rules prohibit a company from knowingly purchasing shares on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Buy-back Mandate is approved by the Shareholders.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 773,629,352 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Buy-back Mandate and on the basis that no further Shares are issued or bought-back by the Company prior to the Annual General Meeting, the Company will be allowed under the Buy-back Mandate to buy-back a maximum of 77,362,935 Shares.

3. REASONS FOR THE BUY-BACK

The Directors consider that the Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Buy-back Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors consider that a buy-back of the Shares will benefit the Company and the Shareholders as a whole.

4. FUNDING OF BUY-BACKS

Pursuant to the Buy-back Mandate, buy-back would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the laws of the Cayman Islands and the memorandum and the Articles of Association for such purpose.

An exercise of the Buy-back Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31st December, 2015, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any buy-back in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months and up to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
April	0.64	0.39
May	2.29	0.615
June	3.55	1.77
July	2.85	0.375
August	2.04	1.04
September	1.78	1.15
October	1.56	0.96
November	1.26	0.94
December	1.33	0.99
2016		
January	1.05	0.76
February	0.94	0.65
March	1.06	0.76
April (up to the Latest Practicable Date)	1.12	1.01

Adjustments have been made on each Share after the share subdivision becoming effective on 8 July 2015.

6. UNDERTAKING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Buy-back Mandate is approved at the Annual General Meeting and exercised.

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the memorandum of association of the Company, the Articles of Association and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Lin Caihuo, a Director and a substantial shareholder of the Company, was interested in a total of 208,278,946 Shares, representing approximately 26.92% of the issued Shares of the Company.

In the event that the Directors exercise in full the power to buy-back Shares in accordance with the Buy-back Mandate, then (if the present shareholdings otherwise remained the same) the total interests of Mr. Lin Caihuo in the Company would be increased to approximately 29.91% of the issued Shares of the Company. On the basis of the aforesaid increase of shareholding, the Directors are not aware of the consequences of such increases or as a result of repurchase of Shares that would result in any Shareholder or group of Shareholders acting in concert, Director, or other person holding 30% or more of the issued Shares and becoming obliged to make a mandatory offer under the Takeovers Code.

The Directors have no present intention to exercise the Repurchase Mandate to such extent which would otherwise result in any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code or the number of Shares being held by the public falling below the minimum requirement as prescribed by the Stock Exchange, which is currently 25% of the entire issued share capital of the Company.

8. SHARES BUY-BACKS MADE BY THE COMPANY

No buy-back of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The details of the Directors who will retire from offices by rotation at the Annual General Meeting and being eligible, will offer themselves for re-election at the Annual General Meeting, are set out below:

Mr. Lin Caihuo

Mr. Lin Caihuo, aged 44, has been the Chairman of the Board and an executive Director since November 2014. He also serves as a member of the remuneration committee and nomination committee of the Board. He has been engaging in the business of trading, warehousing, transporting and distributing oil products since 2003 and has gained an extensive experience in the industry. He has been an executive director and the general manager of Fujian Yuhua Petrochemical Company Limited* (福建裕華石油化工有限公司) since February 2003, Xiamen Ocean Star Shipping Company Limited* (廈門海之星航運有限公司) since July 2010, Fujian Yuhua Energy Company Limited* (福建裕華能源有限公司) since April 2013, Fujian Yuhua Group Company Limited* (福建裕華集團有限公司) since April 2013, Fujian Yuhua Property Management Limited* (福建裕華物業管理有限公司) since February 2014 and Fujian Yuhua Shipping Company Limited* (福建裕華船務有限公司) since March 2014.

Mr. Lin has also been the vice president of Fujian Oil and Gas Association* (福建省油氣商會副會長) since 2014. In July 2014, he was elected as the executive vice president of the Chamber of Commerce of Zhangzhou Xiamen* (廈門市漳州商會常務副會長). Mr. Lin was appointed as a representative of Zhangzhou City at Fifteenth People's Congress* (漳州市第十五屆人民代表大會代表) and was the honorary president of the Chamber of Zhangzhou oil* (第三屆漳州市石油商會名譽會長). In addition, Mr. Lin was appointed as the first vice president of the Federation of Enterprises and Entrepreneurs of Dongshan County* (第一屆東山縣企業與企家聯合會副會長) and the vice chairman of the Ninth Dongshan County Chamber of Commerce* (第九屆東山縣工商聯合會(商會)副主席). Since August 2012, he has been the honorary president of Charity of Dongshan County* (東山縣慈善總會榮譽會長). He had been an executive director of Sino Haijing Holdings Limited (stock code: 1106), a company whose shares are listed on the Main Board of the Stock Exchange during the period from 10 July 2014 to 2 November 2014.

Save as disclosed above, Mr. Lin does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Lin is a substantial shareholder of the Company and beneficially owns 208,278,946 Shares, representing approximately 26.92% of the entire issued share capital of the Company. Save as disclosed above, Mr. Lin does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Lin is not connected and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lin has entered into a service contract with the Company for a term of three years commencing from 21 November 2014. Mr. Lin is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Lin is entitled to receive an annual emolument of HK\$1,200,000 and for his other work positions with the Group (which was determined with reference to his qualification, experience, the scope of responsibilities within the Group and the prevailing market conditions).

In relation to the proposed re-election of Mr. Lin, there is no information relating to Mr. Lin that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Wang Enguang

Mr. Wang Enguang, aged 65, has been an executive Director since December 2014. He completed Basic Courses for Officials of Chinese Government and Communist Party* (黨政幹部基礎專科) from Liaoning Radio and TV University* (遼寧廣播電視大學) in 1986. For the period from 1972 to 1999, he worked in Liaoning Petrochemical Fiber Company* (遼寧石油化纖公司). He was a vice-manager of raw material supply before leaving. Mr Wang began serving at PetroChina Company Limited* (中國石油天然氣股份有限公司) in 1999 until retirement in July 2010. Before his retirement, he was a manager of the sales company in Jiangxi, the PRC. Mr Wang has decades of rich experience in the areas of sales and management.

Save as disclosed above, Mr. Wang does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Mr. Wang is not connected and does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Wang does not have, directly or indirectly, any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Wang has entered into a service contract with the Company for a term of three years commencing from 1st December 2014. Mr. Wang is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. Mr. Wang is entitled to receive an annual emolument of HK\$200,000 (which was determined with reference to his qualification, experience, the scope of responsibilities within the Group and the prevailing market conditions).

In relation to the proposed re-election of Mr. Wang, there is no information relating to Mr. Wang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

** For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Yuhua Energy Holdings Limited (the “**Company**”) will be held at Room 2207, 22/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on Friday, 27th May, 2016 at 10:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the auditor of the Company for the year ended 31st December, 2015.
2.
 - (a). Mr. Lin Caihuo be re-elected as an executive Director;
 - (b). Mr. Wang Enguang be re-elected as an executive Director;
 - (c). the board of Directors (the “**Board**”) be authorised to fix the remuneration of the Directors.
3. To consider the appointment of PricewaterhouseCoopers as the auditor of the Company in place of the retiring auditor, Cheng & Cheng Limited, to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

To consider, as special business and, if thought fit, passing the following resolutions, with or without amendment, as ordinary resolutions:

4. **“THAT:**
- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the Company (the “**Shares**”) and to make or grant offers, agreements, options, warrants or other securities convertible into Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options, warrants or other securities convertible into Shares, which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed 20 per cent. of the aggregate number of the Shares in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and
 - (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Companies Law**”) or any applicable laws of the Cayman Islands to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to buy-back the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be bought-back by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate number of the Shares in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
6. “**THAT** conditional upon the ordinary resolution nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company pursuant to resolution no. 4 above be and is hereby extended by the addition thereto of an amount representing the aggregate number of Shares bought-back by the Company under the authority granted pursuant to resolution no. 5, provided that such amount shall not exceed 10 per cent. of the aggregate number of Shares in issue as at the date of passing of resolution no. 5.”

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

Hong Kong, 21st April, 2016

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of

business in Hong Kong:
Room 2207, 22nd Floor
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting at the annual general meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. For the purpose of identifying shareholders who are entitled to attend the annual general meeting, the register of members of the Company will be closed from 25th May, 2016 to 27th May, 2016 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for attending the annual general meeting, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 24th May, 2016.
4. In relation to proposed resolution no. 2 above, Mr. Lin Caihuo and Mr. Wang Enguang will retire from their offices at the above meeting pursuant to article 87 of the articles of association of the Company and, being eligible, they will offer themselves for re-election.
5. In relation to proposed resolution nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange. The Directors have no immediate plans to issue any new Shares.
6. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to buy-back shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.
7. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, at the annual general meeting, the chairman of the meeting will exercise his power under article 66 of the articles of association of the Company to put each of the resolutions set out in this notice to be voted by way of poll.