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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)

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR RESIGNATION OF COMMITTEE MEMBERS AND NON-COMPLIANCE WITH THE LISTING RULES

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND COMMITTEE MEMBERS

The board (the “**Board**”) of directors (the “**Directors**”) of Yuhua Energy Holdings Limited (the “**Company**”) announces that Xu Changyin (“**Mr. Xu**”) has resigned as an independent non-executive Director, a member of each of the Audit Committee (the “**Audit Committee**”) and the remuneration committee (the “**Remuneration Committee**”) and the chairman of the nomination committee (the “**Nomination Committee**”) of the Company with effect from 14 October 2019 as he would like to pursue other business opportunities.

Mr. Xu confirmed that he has no disagreement with the Board and there are no other matters in relation to his resignation that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude to Mr. Xu for his contribution to the Company during his tenure of office.

NON-COMPLIANCE WITH THE LISTING RULES

Following the resignation of Mr. Xu, the Board comprises two independent non-executive Directors, hence fails to meet the requirements of having:

- (a) at least three independent non-executive directors on the Board under Rule 3.10(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”);

- (b) independent non-executive directors who represent at least one-third of the Board under Rule 3.10A of the Listing Rules;
- (c) the Audit Committee comprising only non-executive directors with a minimum of three members under Rule 3.21 of the Listing Rules;
- (d) the Remuneration Committee comprising a majority of independent non-executive directors and chaired by an independent non-executive director under Rule 3.25 of the Listing Rules; and
- (e) the Nomination Committee comprising a majority of independent non-executive directors and chaired by the chairman of the board or an independent non-executive director under code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

In order to comply with the Listing Rules and the terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee, the Board is in the process of identifying suitable candidate(s) to fill the vacancy of the positions of independent non-executive Director and the member of the Audit Committee and the member of the Nomination Committee and will use its best endeavours to ensure that the suitable candidate(s) is/are appointed as soon as possible and, in any event, within three months from the effective date of the resignation of Mr. Xu, pursuant to Rules 3.11, 3.23 and 3.27 of the Listing Rules. The Company will make further announcement(s) as and when appropriate.

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

Hong Kong, 14 October 2019

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