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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)

INSIDE INFORMATION — LITIGATION

This announcement is made by the board of directors (the “**Board**”) of Yuhua Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Enforcement order in respect of disputes over loan agreement taken out by Bank of Communications Limited (Xiamen Branch)

A claim in respect of disputes over loan agreement was made by the Xiamen Branch of Bank of Communications Limited (the “**Plaintiff**”) against one subsidiary of the Company, namely Yuhua Energy (Xiamen) Co. Ltd.* (裕華能源(廈門)有限公司) (“**Yuhua Xiamen**”), Xiamen Oceanstar Shipping Co., Ltd.* (廈門海之星航運有限公司) (“**Xiamen Oceanstar**”), Fujian Yuhua Group Limited* (福建裕華集團有限公司) (“**Fujian Yuhua Group**”), Mr. Lin Caihuo and his spouse, Ms. Lin Aihua (collectively, the “**Defendants**”). On 8 November 2019, the Intermediate People’s Court of Xiamen City, Fujian Province made the following orders:

- (i) freezing order be granted against the Defendants for assets or properties in the amount of RMB206,000,000;
- (ii) the assets mortgaged by Yuhua Xiamen and Xiamen Oceanstar in favour of the Plaintiff be seized, auctioned or realized; and
- (iii) the equity interest of Fujian Yuhua Petrochemical Company Limited* (福建裕華石油化工有限公司) in the sum of RMB150,000,000 charged by Fujian Yuhua Group to the Plaintiff be seized, auctioned or realized.

The Company is now liaising with the Plaintiff to discuss the appropriate arrangement and is also taking legal advice. The Company will publish announcement(s) to update its shareholders of any major progress to the above matter, as and when appropriate. The Directors are of the view that the orders will not have material impact on the business and operation of the Company. In the meantime, the Company is assessing the status of other indebtedness of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 November 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 three independent non-executive Directors, namely Mr. Liu Yang, Mr. Tche Heng Hou Kevin and Mr. Gao Han.

* *In this announcement, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*