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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)

PROPOSED CHANGE OF AUDITORS

The board (the “**Board**”) of directors (the “**Directors**”) of Yuhua Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Cheng & Cheng Limited (“**Cheng & Cheng**”), the auditors of the Company, will retire upon expiration of its current term of office with effect from the conclusion of the forthcoming annual general meeting of the Company (the “**AGM**”).

The Board has resolved, with the recommendation from the audit committee of the Company (the “**Audit Committee**”), to propose the appointment of PricewaterhouseCoopers (“**PwC**”) as the new auditors of the Company to fill the vacancy following the retirement of Cheng & Cheng as the auditors of the Company at the AGM and to hold office until the conclusion of the next annual general meeting of the Company in the year 2017 (the “**Proposal**”). The Proposal is subject to approval by the shareholders of the Company (the “**Shareholders**”) at the AGM. A circular containing, among other things, the Proposal, together with the notice of the AGM will be dispatched to the Shareholders as soon as practicable.

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 in writing that it was not aware of any matters that should be brought to the attention of the Shareholders. The Board has also confirmed that there were no relevant matters in respect of the Proposal that should be brought to the attention of the Shareholders. The Board and the Audit Committee have further confirmed that there were no disagreements or unresolved matters between the Company and Cheng & Cheng regarding the change in auditors.

The Board would like to express its appreciation for the services of Cheng & Cheng provided to the Company in the past years.

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

Hong Kong, 30 March, 2016

As at the date of this 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.