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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)

VOLUNTARY ANNOUNCEMENT PRODUCT SALES COLLABORATION AGREEMENT

The Company is pleased to announce that on 24 February 2020, Guangzhou BP and Tianjin Tanghao entered into the Product Sales Collaboration Agreement.

This announcement is issued by the Company on a voluntary basis.

The Company is pleased to announce that on 24 February 2020, Guangzhou BP and Tianjin Tanghao entered into the Product Sales Collaboration Agreement.

Below is a summary of the terms of the Product Sales Collaboration Agreement.

Products to be sold:	Guangzhou BP plans to purchase at least 500,000 tonnes or RMB3 billion (including tax) worth of petroleum products and chemical products from Tianjin Tanghao from 2020 to 2021.
Delivery:	Tianjin Tanghao shall bear all cost related to delivery, tax, insurance, etc.
Price:	To be determined in each specific sale and purchase agreement.
Quality control:	Tianjin Tanghao shall provide a quality inspection report for each delivery.
Rejection:	Guangzhou BP may reject products delivered by Tianjin Tanghao if the delivery is made early or late, or if the quantity delivered is less than the quantity required, or if the product is defective.

Binding obligation: The Product Sales Collaboration Agreement does not constitute a commitment on the part of Guangzhou BP to purchase products of a specified quantity or monetary value from Tianjin Tanghao, and does not impose an obligation on Guangzhou BP to sign specific sale and purchase agreements with Tianjin Tanghao.

Termination: Guangzhou BP may terminate the Product Sales Collaboration Agreement:

- (a) according to its needs;
- (b) if Tianjin Tanghao transfers all rights and obligations under the Product Sales Collaboration Agreement to a third party without Guangzhou BP's approval;
- (c) if Tianjin Tanghao delivers substandard product to Guangzhou BP or there are defects in invoices;
- (d) if Tianjin Tanghao delays in delivery for more than 10 calendar days;
- (e) if Tianjin Tanghao is or may be bankrupt or wound up;
- (f) if Tianjin Tanghao commits a serious breach of the Product Sales Collaboration Agreement, and as a result, the objective of the agreement cannot be fulfilled; or
- (g) if there is any other event that seriously affects Guangzhou BP's interest and the materialization of the objectives of the Product Sales Collaboration Agreement.

If the Product Sales Collaboration Agreement is terminated due to ground (a), Guangzhou BP shall compensate Tianjin Tanghao. If the Product Sales Collaboration Agreement is terminated due to grounds (b) to (g), Tianjin Tanghao shall compensate Guangzhou BP.

Guangzhou BP is a joint venture company owned by Guangzhou Development Energy as to 60% and BP Global Investments Limited as to 40%. According to public information, it has been in operation since 2003 and its registered share capital is RMB400 million. It has a large-scale oil tank in Pearl River Delta.

Guangzhou Development Energy is a wholly-owned subsidiary of Guangzhou Development Group, a company listed on the Shanghai Stock Exchange (stock code: 600098), whose ultimate majority shareholder is the Guangzhou People's Government. According to public information, Guangzhou Development Group's business includes oil, coal, electricity. It is one of the top 50 industrial companies in Guangdong province (廣東省50家工業龍頭企業集團). It takes up the largest market share in the coal market in Pearl River Delta for numerous years, and takes up 40% of the electricity generation market in Guangzhou city. Its total assets worth more than RMB6.8 billion.

BP Global Investments Limited is a company incorporated in the United Kingdom and is a subsidiary of BP plc, which is a company listed on the London, Frankfurt and New York Stock Exchanges. According to public information, its business includes extraction of crude oil and natural gas, oil refinery, sale of natural gas, electricity generation, manufacturing and sale of petroleum products.

REASONS FOR ENTERING INTO THE PRODUCT SALES COLLABORATION AGREEMENT

The Company believes that by collaborating with a well-established energy company such as Guangzhou BP, the Company can enhance its reputation and the competitiveness of its products, and can bring a stable source of revenue.

DEFINITIONS

“Company”	Yuhua Energy Holdings Limited, a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 2728)
“Guangzhou BP”	廣州發展碧辟油品有限公司 (Guangzhou BP Oil Company [#]), a company incorporated in China
“Guangzhou Development Energy”	廣州發展能源物流集團有限公司 (Guangzhou Development Energy Logistics Company [#]), a company incorporated in China
“Guangzhou Development Group”	廣州發展集團股份有限公司 (Guangzhou Development Group Incorporated), a company incorporated in China
“Product Sales Collaboration Agreement”	the agreement entered into between Guangzhou BP and Tianjin Tanghao on 24 February 2020 regarding sale of petroleum products and chemical products
“RMB”	Renminbi, the lawful currency of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Tanghao”	天津唐昊石油製品銷售有限公司 (Tianjin Tanghao Petroleum Product Company [#]), a company incorporated in China and a wholly-owned subsidiary of the Company

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

Hong Kong, 24 February 2020

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.

** The Company is in the course of registration of its new Company name “Jintai Energy Holdings Limited” in Hong Kong.*

The English transliteration of the Chinese name(s) in this announcement, where indicated with “#”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.