
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, 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 Yuan Heng Gas Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED (元亨燃氣控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES; (2) RE-ELECTION OF DIRECTOR; AND (3) NOTICE OF ANNUAL GENERAL MEETING

A letter from the Board is set out on pages 3 to 7 of this circular.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

A notice convening an annual general meeting of Yuan Heng Gas Holdings Limited to be held on Tuesday, 23 September 2014 at 2 p.m. at the Conference Room, 22nd Floor, United Centre, 95 Queensway, Hong Kong is set out on pages 12–16 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.yuanhenggas.com.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Share Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, and in any event not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

22 August 2014

CONTENTS

	<i>Page</i>
Expected Timetable	ii
Definitions	1–2
Letter from the Board	
1. Introduction	3–4
2. Proposed re-election of Director	4
3. General Mandates to issue and repurchase Shares	4–5
4. Voting by way of poll	5
5. The AGM	5–6
6. Recommendations	6–7
7. Further information	7
Appendix I — Details of Director proposed to be re-elected at the AGM	8
Appendix II — Explanatory statement	9–11
Notice of Annual General Meeting	12–16
<i>Accompanying document — Form of Proxy for the AGM</i>	

EXPECTED TIMETABLE

2014

Closure of Register (both dates inclusive)	Friday, 19 September 2014 to Tuesday, 23 September 2014
Latest time for lodging the proxy forms for use at the AGM	2 p.m. on Sunday, 21 September 2014
Record Date for determination of entitlements to the AGM	Tuesday, 23 September 2014
Date and time of AGM	2 p.m. on Tuesday, 23 September 2014
Announcement of the poll results of the AGM to be posted on the HKExnews website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yuanhenggas.com	After 4:00 p.m. on Tuesday, 23 September 2014

Notes:

1. All dates and time set out in this circular refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) at the HKExnews website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yuanhenggas.com as and when appropriate and in accordance with the Listing Rules.

DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at the Conference Room, 22nd Floor, United Centre, 95 Queensway, Hong Kong on Tuesday, 23 September 2014 at 2 p.m., notice of which is set out on pages 12–16 of this circular, or any adjournment thereof
“AGM Notice”	the notice dated 22 August 2014 convening the AGM set out on pages 12–16 of this circular
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company for the time being
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“Company”	Yuan Heng Gas Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed general mandate to issue Shares and securities convertible into Shares to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares in manner set out in the ordinary resolution number 4 of the AGM Notice
“Latest Practicable Date”	19 August 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Register”	the register of members of the Company
“Repurchase Mandate”	the proposed general mandate to repurchase Shares to be granted to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company in manner set out in the ordinary resolution number 5 of the AGM Notice
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.1 each in the share capital of the Company
“Share Registrar”	Tricor Tengis Limited, being the branch share registrar and transfer office of the Company in Hong Kong, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong (or other share registrar as the Company may from time to time appoint)
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to this term under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED
(元亨燃氣控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

Board of Directors:

Executive Directors

Mr. Wang Jianqing

(Chairman and Chief Executive Officer)

Mr. Pan Junfeng

Mr. Bao Jun

Independent Non-Executive Directors

Dr. Leung Hoi Ming

Mr. Wong Chi Keung

Mr. Tom Xie

Registered Office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Principal place of business:

Room 4102, 41/F

Far East Finance Centre

16 Harcourt Road

Hong Kong

22 August 2014

To the Shareholders

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;**
(2) RE-ELECTION OF DIRECTOR; AND
(3) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The Board is pleased to inform you that the AGM is scheduled to be held at 2 p.m., on Tuesday, 23 September 2014 at the Conference Room, 22nd Floor, United Centre, 95 Queensway, Hong Kong.

The purpose of this circular is to provide you with information in relation to the following resolutions to be proposed at the AGM:

- (1) the re-election of Director;

LETTER FROM THE BOARD

- (2) the granting of the Issue Mandate and the Repurchase Mandate to the Directors;
- (3) the extension of the Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; and
- (4) the giving of the AGM Notice.

2. PROPOSED RE-ELECTION OF DIRECTOR

In accordance with Bye-law 87, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation such that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

At the AGM, Mr. Wang Jianqing shall retire and, being eligible, will offer himself for re-election at the AGM. An ordinary resolution will be proposed for the re-election of Mr. Wang Jianqing as executive Director. Information on Mr. Wang as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

At the AGM, Mr. Pan Junfeng shall also retire but he has indicated to the Board that he does not wish to offer himself for re-election at the AGM due to his decision to devote more time to look after his other business commitments and he will retire from office immediately after close of the AGM.

Mr. Pan Junfeng confirmed that he has no claims whatsoever against the Company for fees, compensation for loss of office, remuneration, severance payments, pension, expenses or otherwise and there is no disagreement with the Board and there are not any matters that need to be brought to the attention of the Shareholders or the Stock Exchange.

3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The Issue Mandate and the Repurchase Mandate shall be effective upon passing of the relevant resolutions at the AGM until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the AGM; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, or any applicable law of Bermuda 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.

LETTER FROM THE BOARD

The Directors are seeking the approval of ordinary resolutions at the AGM to grant to the Directors:

- (1) the Issue Mandate: to allot, issue and otherwise deal with the Shares and securities convertible into Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM;
- (2) the Repurchase Mandate: to purchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM; and
- (3) an extension to the Issue Mandate: subject to passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM, extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, there were 5,302,801,915 Shares in issue. The Company does not have any other securities or options issued or outstanding. Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 1,060,560,383 Shares under the Issue Mandate and to repurchase up to a maximum of 530,280,191 Shares under the Repurchase Mandate.

The Issue Mandate provides the Directors with flexibility to issue Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily. The Directors have no present intention to exercise the Issue Mandate to allot, issue and deal with Shares and to exercise the Repurchase Mandate to repurchase Shares.

An explanatory statement containing all the relevant information required under the Listing Rules regarding the Repurchase Mandate is set out in the Appendix II to this circular. The information in the explanatory statement is to provide the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

4. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

5. THE AGM

The AGM will be held at the Conference Room, 22nd Floor, United Centre, 95 Queensway, Hong Kong on Tuesday, 23 September 2014 at 2 p.m.

LETTER FROM THE BOARD

The AGM Notice is set out on pages 12–16 of this circular. At the AGM, in addition to the ordinary business of the meeting, resolutions will be proposed to approve the Issue Mandate, the Repurchase Mandate and the re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.yuanhenggas.com.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Share Registrar, **Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong** in accordance with the instructions printed thereon as soon as possible together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, and in any event not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

The Register will be closed from Friday, 19 September 2014 to Tuesday, 23 September 2014 (both days inclusive) in order to determine the Shareholders' entitlements to attend and vote at the AGM, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Share Registrar, **Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong** for registration not later than 4:30 p.m. on Thursday, 18 September 2014.

6. RECOMMENDATIONS

The Directors consider the retiring Director has been serving the Company well during their respective terms in office and believe he will continue to contribute his expertise and dedication to the Group in the coming years.

The Directors believe that an exercise of the Issue Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

In view of the reasons set out above and in this circular, the Directors believe that the re-election of Directors, the proposed grant of the Issue Mandate and the Repurchase Mandate, are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

7. FURTHER INFORMATION

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

This circular is in English and Chinese. In the case of any inconsistency, the English version shall prevail.

Yours faithfully,
By the order of the Board of
YUAN HENG GAS HOLDINGS LIMITED
Wang Jianqing
Chairman and Chief Executive Officer

Set out below are the biographical and other details of the Director who will retire from office at the AGM and, being eligible, offer himself for re-election in accordance with Bye-law 87.

MR. WANG JIANQING (“MR. WANG”)

Mr. Wang, aged 45, has been appointed as an executive director of the Company since December 2010, as the chairman of the Company since 27 January 2011 and as the chief executive officer of the Company on 15 September 2011. He has also been the general manager of 廣州元亨能源有限公司 (Guangzhou Circle Energy Company Limited*) since January 2009. He obtained his bachelor’s degree in Industrial Management Engineering from 鎮江船舶學院 (Zhenjiang Shipbuilding College) (now known as 江蘇科技大學 (Jiangsu University of Science and Technology)) in 1989. Mr. Wang currently holds directorships in certain subsidiaries of the Group.

Mr. Wang is currently an executive director of FU JI Food and Catering Services Holdings Limited (stock code: 1175). Save as aforesaid, 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 a cousin of Mr. Bao Jun, an executive Director of the Company.

Save as disclosed above, Mr. Wang does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Wang Jianqing is deemed interested in, and duplicated, the 636,504,351 Shares which Frontier Global Group Limited is interested. Frontier Global Group Limited is wholly owned by Touch Billion Limited, which in turn is held as to 75% by Champion Golden Limited, in which Mr. Wang has 50% of the voting right.

Mr. Wang is also deemed interested in, and duplicated, the 2,656,464,436 Shares which Champion Ever Limited is interested. Champion Ever Limited is wholly owned by Mr. Wang.

Save as disclosed above, Mr. Wang does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

For the year ended 31 March 2014, Mr. Wang was entitled to receive an annual director’s fee of HK\$300,000 from the Company. Such remuneration is determined by the Board with reference to Mr. Wang’s experiences, scope of duties and responsibilities.

Save as disclosed above, there is no information relating to the re-election of Mr. Wang, as an executive Director that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of Mr. Wang.

* For identification purpose only

This appendix serves as the explanatory statement to provide requisite information to the Shareholders for their consideration of the Repurchase Mandate to be granted to the Directors as required under Rule 10.06 of the Listing Rules.

REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions and obtaining prior Shareholders' approval. The Listing Rules, however, prohibit a company from knowingly purchasing securities on the Stock Exchange from a connected person and a connected person is prohibited from knowingly selling his securities to the Company.

SHARE CAPITAL

As at the Latest Practicable Date, the authorized share capital of the Company was 10,000,000,000 Shares, of which a total of 5,302,801,915 Shares were allotted, issued and fully paid or credited as fully paid. Subject to the passing of the ordinary resolution to approve the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to repurchase up a maximum of 530,280,191 Shares, representing 10% of the total issued Shares as at the date of the AGM.

REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to repurchase the Shares on the market. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASES

The repurchase of Shares shall be made out of funds legally available under the laws of Bermuda, Hong Kong and the Bye-laws for such purpose. Under Bermuda law, repurchases may only be effected out of the capital paid up on the repurchase Shares or out of the funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.

As compared to the financial position of the Company as at 31 March 2014 (being the date of the Company's latest audited accounts), an exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances

that would have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 calendar months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
August	1.130	0.870
September	1.100	0.840
October	1.510	0.990
November	1.180	0.960
December	1.160	0.950
2014		
January	1.150	0.990
February	1.020	0.880
March	1.030	0.860
April	1.380	0.880
May	1.310	0.910
June	1.000	0.870
July	0.960	0.790
August*	0.830	0.750

* up to and including the Latest Practicable Date

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently has any present intention to sell the Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda and Hong Kong.

No connected person of the Company has notified the Company that he 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 to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

HONG KONG CODE ON TAKEOVERS AND MERGERS

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increase, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

So far as the Company is aware, the substantial shareholder of the Company as at the Latest Practicable Date and in the event that the Repurchase Mandate is exercised in full is as follows:

	As at the Latest Practicable Date		Assuming the Repurchase Mandate is exercised in full	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Wang (<i>Note</i>)	3,292,968,787	62.1%	3,292,968,787	68.99%

Note: Mr. Wang is deemed interested in, and duplicated, the 636,504,351 Shares which Frontier Global Group Limited is interested. Frontier Global Group Limited is wholly owned by Touch Billion Limited. Touch Billion Limited is held as to 75% by Champion Golden Limited, in which Mr. Wang Jianqing has 50% of the voting right. Mr. Wang is also deemed interested in, and duplicated, the 2,656,464,436 Shares through his wholly-owned company, Champion Ever Limited.

Accordingly, in the event that the Directors exercise in full of the power to repurchase Shares under the Repurchase Mandate, it will not give rise to an obligation on Mr. Wang and parties acting in concert with him to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the power to repurchase Shares to the extent that will give rise to an obligation on any party to make a mandatory offer under Rule 26 of the Takeovers Code.

The Company will not exercise the power to repurchase Shares which would result in the aggregate amount of the issued share capital of the Company in public hands being reduced to less than 25%.

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) during the six calendar months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



元亨燃氣

YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED (元亨燃氣控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Yuan Heng Gas Holdings Limited (the “Company”) will be held at the Conference Room, 22nd Floor, United Centre, 95 Queensway, Hong Kong on Tuesday, 23 September 2014 at 2 p.m. for the following purpose:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and the auditor for the year ended 31 March 2014;
2. (a) To re-elect Mr. Wang Jianqing as an executive director of the Company;
(b) To authorise the board of directors of the Company (the “Board”) to fix remuneration of the directors of the Company (the “Directors”);
3. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board to fix their remuneration;

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without amendments, as indicated below:

4. **“THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional share(s) in the capital of the Company (the “Shares”) and to make or grant offers, agreements and options (including warrants, bonds, securities and debentures convertible

NOTICE OF ANNUAL GENERAL MEETING

into Shares) which might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, securities and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an agreement, option or otherwise) and to be issued by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined), or
 - (ii) an issue of Shares upon the exercise of the subscription rights or conversion rights attached to any warrants or convertible securities which may be issued by the Company from time to time, or
 - (iii) an issue of Shares under any share option scheme or similar arrangement for the time being adopted by the Company and/or any of its subsidiaries for the grant or issue of shares or rights to acquire Shares in the capital of the Company, or
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company,

shall not exceed:

- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (provided that resolutions nos. 5 and 6 are passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on 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

- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution; and

“Rights Issue” means an offer of shares or issue of options to subscribe for shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such 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 any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to paragraphs (a) and (b) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and the authority shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. “**THAT** subject to the ordinary resolutions nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 4 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 5.”

Yours faithfully,
By the order of the Board
YUAN HENG GAS HOLDINGS LIMITED
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 22 August 2014

Registered Office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business:
Room 4102, 41/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

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.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf

NOTICE OF ANNUAL GENERAL MEETING

of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.

- (3) In the case of joint holders of a share if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- (4) In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or their authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) A member may appoint a proxy in respect of part only of his holding of shares in the Company. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual, or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
- (6) A form of proxy for use in connection with the meeting is enclosed with the circular of the Company dated 22 August 2014. Such form of proxy is also published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.yuanhenggas.com.
- (7) Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, the Chairman of the meeting will demand that all resolutions will be voted by way of poll at the meeting.