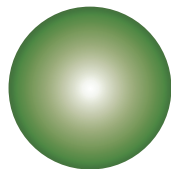


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元亨燃氣

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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 21 September 2015, after trading hours, the Company entered into three separate Subscription Agreements with the Subscribers.

A total of 380,833,333 Subscription Shares will be allotted and issued by the Company under the Subscriptions representing (i) approximately 7.18% of the existing share capital of the Company of 5,302,801,915 Shares as at the date of this announcement; and (ii) approximately 6.70% of the issued share capital of the Company of 5,683,635,248 Shares as enlarged by the allotment and issue of all the Subscription Shares, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the Completion.

The aggregate Subscription Price for all the Subscription Shares is approximately HK\$228.5 million. The aggregate Subscription Price shall be used as general working capital of the Group. The Subscription Shares will be issued under the General Mandate.

The Xu Completion is conditional upon the Stock Exchange having granted the listing of, and permission to deal in, the Xu Subscription Shares.

The PVF Completion are conditional upon:

- a. the Stock Exchange having granted the listing of, and permission to deal in, the PVF Subscription Shares and such listing and permission not subsequently being revoked prior to the date of PVF Completion; and
- b. the PVF Subscriber having received investment monies of not less than HK\$180 million from its investors of the Pengda SP.

The CA Completion is conditional upon the Stock Exchange having granted the listing of, and permission to deal in, the CA Subscription Shares.

However, completion of each of the Subscription Agreements is not inter-conditional upon each other.

Shareholders and potential investors should note that Completion of the Subscriptions is subject to fulfilment of the condition(s) under the respective Subscription Agreements. As the Subscriptions may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and if there is any doubt about their positions, they should consult their professional advisers.

The Board is pleased to announce that on 21 September 2015, after trading hours, the Company entered into three separate Subscription Agreements with the Subscribers.

THE SUBSCRIPTION AGREEMENTS

1. The Xu Subscription Agreement

Date

21 September 2015 (after trading hours)

Parties

Issuer: The Company

Subscriber: Xu Subscriber

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Xu Subscriber is an Independent Third Party.

The Xu Subscription

Pursuant to the Xu Subscription Agreement, the Xu Subscriber has conditionally agreed to subscribe for 33,333,333 Xu Subscription Shares at the Subscription Price of HK\$0.60 per Subscription Share, representing approximately 0.629% of the issued share capital of the Company as at the date of this announcement, and approximately 0.625% of the issued share capital as enlarged by the issue of the Xu Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Xu Completion save for the issue of the Xu Subscription Shares).

Condition of the Xu Subscription

The Xu Completion is conditional upon the Stock Exchange having granted the listing of, and permission to deal in, the Xu Subscription Shares.

In the event such condition is not fulfilled by 5:00 p.m. on the Long Stop Date, all rights, obligations and liabilities of the parties under the Xu Subscription Agreement in relation to the Xu Subscription shall cease and determine and neither parties thereunder shall have any claim against the other party in respect of the Xu Subscription save for any antecedent breach and/or any rights or obligations which may have accrued under the Xu Subscription Agreement prior to such termination.

2. The PVF Subscription Agreement

Date

21 September 2015 (after trading hours)

Parties

Issuer: The Company

Subscriber: PVF Subscriber

The PVF Subscriber is an exempted segregated portfolio company incorporated in the Cayman Islands with limited liability and is acting for and on behalf of one of its segregated portfolio, Pengda SP, in relation to the PVF Subscription. The PVF Subscriber is principally engaged in investment management.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the PVF Subscriber and the investors of the segregated portfolio, Pengda SP, are Independent Third Parties.

The PVF Subscription

Pursuant to the PVF Subscription Agreement, the PVF Subscriber has conditionally agreed to subscribe for 300,000,000 PVF Subscription Shares at the Subscription Price of HK\$0.60 per Subscription Share, representing approximately 5.657% of the issued share capital of the Company as at the date of this announcement, and approximately 5.354% of the issued share capital as enlarged by the issue of the PVF Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and PVF Completion save for the issue of the PVF Subscription Shares).

Conditions of the PVF Subscription

The PVF Completion are conditional upon:

- a. the Stock Exchange having granted the listing of, and permission to deal in, the PVF Subscription Shares and such listing and permission not subsequently being revoked prior to the date of PVF Completion; and
- b. the PVF Subscriber having received investment monies of not less than HK\$180 million from its investors of the Pengda SP.

In the event such conditions are not fulfilled by 5:00 p.m. on the Long Stop Date, all rights, obligations and liabilities of the parties under the PVF Subscription Agreement in relation to the PVF Subscription shall cease and determine and neither parties thereunder shall have any claim against the other party in respect of the PVF Subscription save for any antecedent breach and/or any rights or obligations which may have accrued under the PVF Subscription Agreement prior to such termination.

3. The CA Subscription Agreement

Date

21 September 2015 (after trading hours)

Parties

Issuer: The Company

Subscriber: CA Subscriber

The CA Subscriber is a company incorporated in Hong Kong with limited liability. The CA Subscriber is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the CA Subscriber and its ultimate beneficial owner are Independent Third Parties.

The CA Subscription

Pursuant to the CA Subscription Agreement, the CA Subscriber has conditionally agreed to subscribe for 47,500,000 CA Subscription Shares at the Subscription Price of HK\$0.60 per Subscription Share, representing approximately 0.896% of the issued share capital of the Company as at the date of this announcement, and approximately 0.888% of the issued share capital as enlarged by the issue of the CA Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and CA Completion save for the issue of the CA Subscription Shares).

Condition of the CA Subscription

The CA Completion is conditional upon the Stock Exchange having granted the listing of, and permission to deal in, the CA Subscription Shares.

In the event such condition is not fulfilled by 5:00 p.m. on the Long Stop Date, all rights, obligations and liabilities of the parties under the CA Subscription Agreement in relation to the CA Subscription shall cease and determine and neither parties thereunder shall have any claim against the other party in respect of the CA Subscription save for any antecedent breach and/or any rights or obligations which may have accrued under the CA Subscription Agreement prior to such termination.

4. Common terms for the Subscription Agreements

The Subscription Price

The Subscription Price of the Subscription Shares is the same for each of the Subscription Agreements. The Subscription Price of HK\$0.60 per Subscription Share represents:

- (i) a discount of approximately 14.29% to the closing price of HK\$0.70 per Share as quoted on the Stock Exchange on 21 September 2015, being the date of the Subscription Agreements; and

- (ii) a discount of approximately 9.91% to the average closing price of HK\$0.666 per Share as quoted on the Stock Exchange for the last five trading days up to and including 18 September 2015, being the last trading day immediately prior to the date of the Subscription Agreements.

The Subscription Price of HK\$0.60 per Subscription Share was determined on arm's length basis between the Company and the respective Subscribers based on current market conditions and the prevailing market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price for all the Subscription Shares is approximately HK\$228.5 million. The Subscription Price shall be used as general working capital of the Group.

The Subscription Shares and their ranking

A total of 380,833,333 Subscription Shares will be allotted and issued by the Company under the Subscriptions representing (i) approximately 7.18% of the existing share capital of the Company of 5,302,801,915 Shares as at the date of this announcement; and (ii) approximately 6.70% of the issued share capital of the Company of 5,683,635,248 Shares as enlarged by the allotment and issue of all the Subscription Shares, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the Completion. The aggregate nominal value of the Subscription Shares under the Subscriptions will be HK\$38,083,333.30.

The net subscription price under the Subscriptions is approximately HK\$0.599 per Subscription Share.

The Subscription Shares shall rank pari passu among themselves and with all the Shares in issue as at the date of the Completion.

General Mandate

The Subscription Shares will be issued under the General Mandate to allot, issue and deal with new Shares granted to the Directors by a resolution of the Shareholders subject to the limit of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company. Under the General Mandate, the Directors are authorized to allot, issue and deal with up to 20% (being 1,060,560,383 Shares) of the then issued share capital of the Company (being 5,302,801,915 Shares). Up to the date of this announcement, 34,102,724 Shares under the General Mandate have been earmarked under the acquisition by the Group as disclosed in the announcement dated 21 April 2015 but have not yet been issued, and the remaining 1,026,457,659 Shares under the General Mandate will be utilized for the allotment and issue of the Subscription Shares at Completion of each of the Subscription Agreements, which will be sufficient for the purpose.

The Subscriptions are not subject to Shareholders' approval as the Subscription Shares will be issued under the General Mandate.

Completion of the Subscriptions

Completion of the Subscriptions will take place within three Business Day after the fulfilment of the condition or conditions in respect of each of the Subscription Agreements or such other date as the Company and the respective Subscribers may separately agree.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company as at the date of this announcement and immediately after the Completion of the Subscriptions are as follows (assuming there will not be any change in the issued share capital of the Company from the date of the Subscription Agreements to the Completion Date save for the allotment and issue of the Subscription Shares):

Names of Shareholders	As at the date of this announcement		Immediately after Xu Completion only		Immediately after PVF Completion only		Immediately after CA Completion only		Immediately after Completion of all Subscriptions	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Champion Ever Limited (Note 1)	2,656,464,436	50.095	2,656,464,436	49.78	2,656,464,436	47.41	2,656,464,436	49.65	2,656,464,436	46.74
Galaxy King Limited (Note 1)	586,486,402	11.060	586,486,402	10.99	586,486,402	10.47	586,486,402	10.96	586,486,402	10.32
Champion Golden Limited (Note 1)	50,017,949	0.943	50,017,949	0.94	50,017,949	0.89	50,017,949	0.93	50,017,949	0.88
Bao Jun (Note 2)	45,000,000	0.849	45,000,000	0.84	45,000,000	0.80	45,000,000	0.84	45,000,000	0.79
<i>Public Shareholders:</i>										
Xu Subscriber	—	—	33,333,333	0.62	—	—	—	—	33,333,333	0.59
PVF Subscriber	—	—	—	—	300,000,000	5.35	—	—	300,000,000	5.28
CA Subscriber	—	—	—	—	—	—	47,500,000	0.89	47,500,000	0.84
Other public Shareholders	<u>1,964,833,128</u>	<u>37.053</u>	<u>1,964,833,128</u>	<u>36.82</u>	<u>1,964,833,128</u>	<u>35.07</u>	<u>1,964,833,128</u>	<u>36.72</u>	<u>1,964,833,128</u>	<u>34.57</u>
Total	<u>5,302,801,915</u>	<u>100</u>	<u>5,336,135,248</u>	<u>100</u>	<u>5,602,801,915</u>	<u>100</u>	<u>5,350,301,915</u>	<u>100</u>	<u>5,683,635,248</u>	<u>100</u>

Notes:

1. Mr. Wang Jianqing, Chairman and Chief Executive Officer of the Company, was deemed interested in, and duplicated, the 50,017,949 Shares which Champion Golden Limited was interested, the 2,656,464,436 Shares which Champion Ever Limited was interested and the 586,486,402 Shares which Galaxy King Limited was interested. Mr. Wang has 50% voting rights in Champion Golden Limited. Both Champion Ever Limited and Galaxy King Limited are wholly owned by Mr. Wang.
2. Mr. Bao Jun is an executive Director.
3. The above figures may not add up to exactly 100% due to rounding

Upon Completion of the Subscription Agreements and the allotment and issue of all the Subscription Shares to each of the Subscribers, it is expected none of the Subscribers will become substantial shareholders of the Company.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in (i) trading of oil and gas products and the provision of related consultancy services; and (ii) processing, distribution, sales, trading and transportation of LNG and other auxiliary operations and networks in the PRC.

The aggregate Subscription Price for all the Subscription Shares is approximately HK\$228.5 million. The aggregate Subscription Price will be used as general working capital of the Group.

The Directors have considered various ways of raising funds and are of the view that the Subscriptions will provide a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to improve its cash reserve and to facilitate its on-going development of the Group. Accordingly, the Board considers that the Subscriptions are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

The Company has not conducted any other fund raising exercises in the past twelve months immediately before the date of this announcement.

WARNING NOTICE

Shareholders and potential investors should note that Completion of the Subscriptions is subject to fulfilment of the condition(s) under the respective Subscription Agreements. As the Subscriptions may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and if there is any doubt about their positions, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	with the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	any day (excluding Saturdays, Sundays and public holidays) on which banks generally are open for business in Hong Kong
“CA Completion”	completion of the CA Subscription in accordance with the terms and conditions of the CA Subscription Agreement
“CA Subscriber”	Chief Approach Limited
“CA Subscription”	the subscription of 47,500,000 CA Subscription Shares pursuant to the terms of the CA Subscription Agreement
“CA Subscription Agreement”	the agreement in relation to the CA Subscription entered into between the Company and the CA Subscriber on 21 September 2015 (after trading hours)
“CA Subscription Shares”	47,500,000 new Shares the CA Subscriber has conditionally agreed to subscribe under the CA Subscription Agreement
“Company”	Yuan Heng Gas Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange

“Completion”	completion of the Subscriptions or either of them in accordance with the terms and conditions of the Xu Subscription Agreement, the PVF Subscription Agreement and the CA Subscription Agreement
“Completion Date”	within three Business Day after the fulfilment of the condition or conditions in respect of each of the Subscription Agreements or such other date as the Company and the respective Subscribers may agree
“Directors”	directors of the Company
“General Mandate”	the authority approved by the shareholders of the Company at the annual general meeting of the Company held on 23 September 2014 to authorize the Directors to allot and issue new Shares not exceeding 20% (being 1,060,560,383 Shares) of the aggregate nominal amount of the issued share capital of the Company as at the date where the relevant resolutions passed (being 5,302,801,915 Shares)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (Parties)”	third party (parties) independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	9 October 2015
“PVF Completion”	completion of the PVF Subscription in accordance with the terms and conditions of the PVF Subscription Agreement
“PVF Subscriber”	Pengda Value Fund SPC acting for and on behalf of Pengda SP
“PVF Subscription”	300,000,000 new Shares the PVF Subscriber has conditionally agreed to subscribe under the PVF Subscription Agreement
“PVF Subscription Agreement”	the agreement in relation to the PVF Subscription entered into between the Company and the PVF Subscriber on 21 September 2015 (after trading hours)
“PVF Subscription Shares”	the Subscription of 300,000,000 PVF Subscription Shares pursuant to the terms of the PVF Subscription
“Share(s)”	ordinary shares in the Company of HK\$0.10 each
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscribers”	the Xu Subscriber, the PVF Subscriber and the CA Subscriber

“Subscriptions”	the subscription of the Subscription Shares pursuant to the terms of the Xu Subscription Agreement, the PVF Subscription Agreement and the CA Subscription Agreement
“Subscription Agreements”	the Xu Subscription Agreement, the PVF Subscription Agreement, and the CA Subscription Agreement
“Subscription Price”	HK\$0.60 per Subscription Share
“Subscription Shares”	the new Shares to be subscribed by the Subscribers under the Subscription Agreements, and where the context requires, shall mean either the Xu Subscription Shares, PVF Subscription Shares or CA Subscription Shares
“substantial shareholder”	with the meaning ascribed thereto under the Listing Rules
“Xu Completion”	completion of the Xu Subscription in accordance with the terms and conditions of the Xu Subscription Agreement
“Xu Subscriber”	Xu, Yu Shan
“Xu Subscription”	the subscription of 33,333,333 Xu Subscription Shares pursuant to the terms of the Xu Subscription Agreement
“Xu Subscription Agreement”	the agreement in relation to the Xu Subscription entered into between the Company and the Xu Subscriber on 21 September 2015 (after trading hours)
“Xu Subscription Shares”	33,333,333 new Shares the Xu Subscriber has conditionally agreed to subscribe under the Xu Subscription Agreement
“%”	per cent.

By Order of the Board
Yuan Heng Gas Holdings Limited
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 21 September 2015

As at the date of this announcement, the executive Directors are Mr. Wang Jianqing, Mr. Bao Jun and Mr. Zhou Jian; and the independent non-executive Directors are Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie.