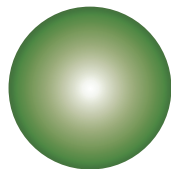


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元亨燃氣

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)

**SUPPLEMENTAL ANNOUNCEMENT
RELATING TO THE
ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE**

Reference is made to the announcement of the Company dated 22 September 2015 in relation to the issue of convertible bonds under general mandate (the “**Announcement**”). Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Announcement.

As set out in the Announcement, the initial Conversion Price of HK\$0.65 per Conversion Share is subject to adjustment for subdivision or consolidation or re-classification of Shares, capitalization of profits or reserves, capital distributions, rights issue, issue of securities for cash below market value or issue of share by way of scrip dividend with market price greater than the cash dividend declared.

The Board wishes to provide additional information relating to the adjustment events as set out below.

The initial Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:

- (1) if there is an alteration to the nominal amount of a Share by reason of any consolidation or subdivision or re-classification;
- (2) if and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);

- (3) if and whenever the Company shall make (whether on a reduction of capital or otherwise except pursuant to any purchase by the Company of its own shares which is permitted by law and by the rules of the Stock Exchange and in accordance with the provisions of the Company's memorandum of association and bye-laws) any capital distribution to holders of Shares (in their capacity as such) or shall grant to such holders rights to acquire for cash assets of the Company or any of its Subsidiaries;
- (4) if and whenever the Company shall offer to all or substantially all holders of Shares new Shares for subscription by way of rights, or shall grant to all or substantially all holders of Shares any options or warrants to subscribe for new Shares, at a price per new Share which is less than 90% of the market price at the date of the announcement of the terms of the offer or grant (whether or not such offer or grant is subject to the approval of the holders of Shares or other persons) (provided that this paragraph shall not apply to any option or warrant granted, issued or existing prior to the issue date of the bond instrument, or pursuant to any Share Option Scheme(s) in existence as at the date of the bond instrument which rules of such Share Option Scheme(s) comply with the relevant requirements of the Listing Rules);
- (5) (a) if and whenever the Company or any other company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carrying rights of conversion for new Shares, and the total effective consideration per new Share initially receivable for such securities is less than 90% of the market price at the date of the announcement of the terms of issue of such securities (whether or not such issue is subject to the approval of the holders of Shares or other persons) (provided that the provisions of this sub-paragraph (a) shall not apply to any securities issued or existing prior to the date of the bond instrument, or to any issue of Shares pursuant to the terms of any of such securities);
- (5) (b) if and whenever the rights of conversion or exchange or conversion attached to any such securities as are mentioned in sub-paragraph (a) above of this paragraph (5) are modified so that the total effective consideration per new Share initially receivable for such securities shall be less than 90% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or conversion;
- (6) if and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue;
- (7) in the case of an issue of Shares by way of a scrip dividend where the market price of such Shares exceeds the amount of the cash dividend declared by the Company or the relevant part thereof and which would not have constituted a distribution; and
- (8) if the Bondholder reasonably determine that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in the adjustment clause, the Bondholder may, at the Company's costs, consult an approved IFA, to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price.

However, the provisions of paragraphs (2), (3), (4), (5), (6), (7) and (8) above shall not apply to:

- (i) an issue of fully-paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including the exercise of the Conversion Right) to acquire Shares (including for the avoidance of doubt the share options presently in issue granted pursuant to the Share Option Scheme); or
- (ii) an issue by the Company of Shares or by the Company or any subsidiary of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or in part consideration for the acquisition of any other securities, assets or business;
- (iii) an issue by the Company of share options pursuant to the Share Option Scheme(s); and
- (iv) any proposed issue by the Company of Shares or by the Company or any subsidiary of securities convertible into or exchangeable for or carrying rights of conversion for Shares which has been disclosed by the Company by way of public announcement on or before the date of the bond instrument.

The Board noted that since the events triggering the adjustment of the Conversion Price are within the Company's control, and the Company currently does not have any corporate action plans other than those already disclosed by way of announcements by the Company, which, based on the terms of the Convertible Bonds, will not trigger any adjustment events. Therefore, the Board believes that the remaining General Mandate would be sufficient to cover for the allotment and issue of the Conversion Shares based on the initial Conversion Price.

However, if the Company intends to take corporate actions in the future which may trigger the adjustment provisions set out above and would result in the allotment and issue of the number of Conversion Shares exceeding the remaining balance of the General Mandate, the Company will, before taking any such corporate actions, take necessary actions including but not limited to ensuring that any general mandate that may be granted to the Directors in future would be sufficient and usable for allotting and issuing such additional Conversion Shares, or seeking prior shareholders' approval for a specific mandate to cover for such additional number of the Conversion Shares. The Company will also comply with the requirement of Listing Rules and issue announcement to inform the Shareholders.

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

Hong Kong, 25 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.