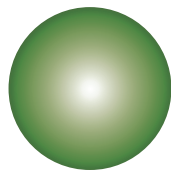


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元亨燃氣

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)

PROPOSED ISSUE OF 8% SECURED GUARANTEED NOTES AND DISCLOSURE UNDER RULES 13.17 AND 13.18

On 27 April 2018, after trading hours, the Company, Champion Ever, Galaxy King, Mr. Wang and the Purchaser entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to the Purchaser the Notes of an aggregate principal amount of HK\$300,000,000 in two tranches.

Closing of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein.

LISTING RULES IMPLICATIONS

Pursuant to the Subscription Agreement, the Chargors and Mr. Wang, each being a connected person of the Company, are required to provide collateral security and personal guarantee for the issue of the Notes and the continuing terms of the Notes, and the provision of such collateral security and personal guarantee (and thus financial assistance) by such connected persons of the Company constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Given that no security over the assets of the Group or financial assistance is granted to the Chargors and Mr. Wang, in respect of the grant of financial assistance by them to secure the Company's obligations under the Subscription Agreement and such grant of financial assistance by the Chargors and Mr. Wang is for the benefit of the Company on normal commercial terms (or better to the Company), such grant of financial assistance is fully exempted from the reporting, announcement and independent Shareholders' approval requirements of Chapter 14A of the Listing Rules under Rule 14A.90 of the Listing Rules.

The Board announces that on 27 April 2018, after trading hours, the Company, Champion Ever, Galaxy King, Mr. Wang and the Purchaser entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to the Purchaser the Notes of an aggregate principal amount of HK\$300,000,000 in two tranches.

Details of the Subscription Agreement and the Notes are set out below.

THE SUBSCRIPTION AGREEMENT

Set out below are the principal terms of the Subscription Agreement and the Notes:

Date:

27 April 2018

Parties:

- (i) Issuer: The Company
- (ii) Chargors:
 - (1) Champion Ever, which is principally engaged in investment holding
 - (2) Galaxy King, which is principally engaged in investment holding
- (iii) Personal Guarantor: Mr. Wang, who is the chairman of the Board and an executive Director, and the beneficial owner of 100% equity interests in Champion Ever and Galaxy King as at the date of the Subscription Agreement
- (iv) Purchaser: CCB International Overseas Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of the Subscription Agreement:

- (a) the Purchaser is the holder of the Champion Ever Notes in the aggregate principal amount of HK\$300,000,000 issued by Champion Ever to the Purchaser; and
- (b) as security for the Champion Ever Notes, Champion Ever has charged 2,606,464,436 Shares under the CE Physical Share Charge and the CE Post-closing Share Charge, and Galaxy King has charged 586,486,402 Shares under the GK Physical Share Charge and GK Post-Closing Share Charge all in favour of the Purchaser.

Save as aforesaid, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party and the Purchaser is principally engaged in investment holdings.

Subscription of the Notes

The Company has conditionally agreed to issue, and the Purchaser has conditionally agreed to subscribe for (i) the First Note in the principal amount of HK\$150,000,000 at 100% of its principal amount on the First Closing Date; and (ii) the Second Note in the principal amount of HK\$150,000,000 at 100% of its principal amount on the Second Closing Date.

Principal terms of the Notes

The principal terms of the Notes are arrived at after arm's length negotiations between the Purchaser and the Company and are summarised as follows:

Principal amount

Up to HK\$300,000,000

Subject to the conditions as set out in the section headed "Conditions precedent" below, the Company shall issue to the Purchaser or as it may direct, and the Purchaser shall purchase, the First Note in the aggregate amount of up to HK\$150,000,000 on the First Closing Date.

Subject to, among other conditions, the issue and purchase of the First Note, the Company may issue the Second Note in the aggregate amount of up to HK\$150,000,000 to the Purchaser, on the Second Closing Date.

Maturity date:

The second anniversary of the respective issue dates of the First Note and the Second Note, on which the outstanding principal amount payable under the Notes becomes due and payable, subject to early repayment in the event of the occurrence of an event of default, or redemption of the Notes, in whole or in part, by the Company, in each case, pursuant to the terms and conditions attached to the certificates of the Notes.

Interest rate:

The Company shall pay interest on the outstanding principal amount of the Notes at the rate of 8% per annum in arrears every six months from the relevant issue date of each of the Notes.

Handling fee:

The Company shall pay the Purchaser a handling fee at the rate of 1.5% per annum on the aggregate outstanding principal amount in arrears every six months from the relevant issue date of each of the Notes.

Ranking:

The Notes constitute direct, unsubordinated, unconditional, secured and guaranteed obligations of the Company, and shall rank pari passu and without any preference or priority amongst themselves.

Transfer:

The Notes are not transferrable.

Events of default:

The Noteholder may require the Company to redeem all or a portion of its Notes at the Default Redemption Amount referred to below, upon the occurrence of an event of default. Such events of default shall include but not limited to:

- (i) the Company, or as the case may be, any other Obligor, fails to pay any amount of principal in respect of the Notes and any other note issued by the Company pursuant to the Subscription Agreement, or as the case may be, any Transaction Document on the due date for payment thereof or fails to pay any amount of interest, the Handling Fee or any other amount in respect of or in connection with the Notes and any other note issued by the Company pursuant to the Subscription Agreement or as the case may be, any Transaction Document on the due date for payment thereof;
- (ii) the occurrence of an event of default (as defined in the Champion Ever Note Instrument) in relation to the Champion Ever Notes;
- (iii) an event has occurred which is, or which may with the taking of any step or the passage of time become, an insolvency event in relation to the Company, any other Obligor or any other member of the Group;
- (iv) for so long as any of the Champion Ever Notes remains outstanding and in the event that the First Note is issued but the Second Note is not issued or not yet issued, at any time, the aggregate number of the Charged Shares is less than 3,522,950,838;
- (v) in the event that the First Note is issued but the Second Note is not issued or not yet issued, the aggregate number of the Charged Shares is less than 550,000,000 at any time on and from the date on which all the Champion Ever Notes have been fully redeemed or repaid and all the obligations relating to the Champion Ever Notes have been fully, irrevocably and unconditionally paid, performed or discharged to the satisfaction of the Purchaser;

- (vi) subject to all the Champion Ever Notes having been fully redeemed or repaid and all the obligations relating to the Champion Ever Notes having been fully, irrevocably and unconditionally paid, performed or discharged to the satisfaction of the Purchaser and in the event that both the First Note and the Second Note are issued, at any time, the number of Charged Shares is less than 1,100,000,000;
- (vii) any Shares in the Company shall cease to be listed on the Stock Exchange or steps are taken by or on behalf of the Company to effect such cessation (including but not limited to, the shareholders of the Company having passed a resolution to delist the Shares from the Main Board of the Stock Exchange);
- (viii) Mr. Wang ceases to be a director of the Company;
- (ix) Mr. Wang holds, directly or indirectly, less than fifty (50) per cent of the issued share capital of the Company;
- (x) any covenant, representation or statement made or deemed to be made by the Company or other Obligor in the Transaction Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Transaction Document is or proves to have been incorrect or misleading when made or deemed to be made; or
- (xi) default in the performance or breach of certain covenants under the Transaction Documents relating to the Group.

Default redemption amount:

The amount payable by the Company to the Noteholder in respect of the outstanding principal amount of the Notes on the date of such early redemption due to the occurrence of any event of default, being the aggregate of:

- (i) the relevant aggregate principal amount of such Note held by such Noteholder;
- (ii) any accrued but unpaid interest (including any default interest) and outstanding Handling Fee on such Note; and
- (iii) any outstanding amount relating to such Note under the Transaction Documents.

Closing:

The consummation of the issue and purchase of the First Note and the Second Note respectively shall be conducted on a date no later than five Business Days after the fulfilment or waiver (in whole or in part) by the Purchaser of the conditions precedent as set out below.

Listing:

No application will be made for a listing of the Notes on the Stock Exchange or any other stock exchange.

Conditions Precedent

Conditions precedent to the First Note

The obligations of the Purchaser to subscribe and pay for the First Note are conditional on each of the following having been satisfied (in the sole opinion of the Purchaser), or otherwise waived, on the First Closing Date:

- (i) the making of such enquiries, investigations and due diligence reviews of the business, affairs, operations, legal and financial position of the Obligors and any other member of the Group by the Purchaser and (where relevant) any of its directors, officers, employees, agents, professional advisers or other persons authorised by the Purchaser which the Purchaser in its absolute discretion deems necessary, desirable or appropriate and the results of such enquiries, investigations and due diligence reviews being considered in the Purchaser's sole opinion to be satisfactory to the Purchaser;
- (ii) the Purchaser having obtained and performed all necessary external, internal and corporate approvals and checks under all applicable Laws regarding the Transaction Documents and the Security Documents, including but not limited to its investment committee approval, anti-money laundering checks and know-your-client checks, and such approvals remain valid and have not been revoked;
- (iii) all necessary consents, regulatory filings, notifications, registrations, disclosures and/or announcement requirements and approvals of the relevant governmental authorities, the Stock Exchange or third party to enter into the Transaction Documents and the Security Documents and perform the Obligors' obligations thereunder having been made, fulfilled or obtained, and such consents, filings, notifications, registrations, disclosures, announcements and approvals remaining valid and effective, and no action having been taken or initiated by any third party, governmental authority or the Stock Exchange which would prohibit the transactions contemplated under any of the Transaction Documents or any of the Security Documents;

- (iv) all obligations under the Transaction Documents required to be performed by each of the Obligors on or before the First Closing Date having been performed, and no breach of any provision of any Transaction Document or any Security Document by any of the Obligors;
- (v) each of the Obligors having performed all of its/his obligations under the Subscription Agreement to be performed on or before such date;
- (vi) the representations and warranties in the Subscription Agreement remaining true, accurate and not misleading in each case in accordance with their terms, and as if made on such date;
- (vii) since the date of the Subscription Agreement, there having been, in the sole opinion of the Purchaser, no Material Adverse Change (as defined in the Subscription Agreement);
- (viii) since the date of the Subscription Agreement, there having been, in the sole opinion of the Purchaser, no occurrence of any Material Adverse Event (as defined in the Subscription Agreement);
- (ix) there being no event of default (as defined in the Note Instrument) that would result from the proposed issue of the First Note by the Company to the Purchaser;
- (x) there having been no Event of Default (as defined in the Champion Ever Note Instrument), and there being no Event of Default (as defined in the Champion Ever Note Instrument) that would result from the proposed issue of the First Note by the Company to the Purchaser;
- (xi) the entering into and due execution (on or before the First Closing Date) of the Transaction Documents (other than the certificate for the Second Note, and the deeds of release relating to the Champion Ever Notes), each in a form satisfactory to the Purchaser, by the respective parties;
- (xii) the number of Shares having been deposited to the relevant Securities Account by Champion Ever remaining at least 2,606,464,436;
- (xiii) the number of Shares having been deposited to the relevant Securities Account by Galaxy King remaining at least 586,486,402;
- (xiv) in addition to those Shares referred to in conditions (xii) above, Champion Ever having deposited not less than an aggregate of 330,000,000 Shares free and clear of all Encumbrances to the relevant Securities Account pursuant to the relevant Share Charge;
- (xv) the aggregate number of the Charged Shares being not less than 3,522,950,838;

- (xvi) such total number of the Charged Shares free from all encumbrances (except, as the case may be, the CE Physical Share Charge, the CE Post-closing Share Charge, the GK Physical Share Charge, the GK Post-closing Share Charge and the Share Charges) having been deposited to the Securities Accounts, such that the aggregate value of the Charged Shares, which is derived by multiplying the aggregate number of the Charged Shares by the Closing Price on the Trading Day immediately preceding the First Closing Date, is not less than three (3) times of the aggregate of the outstanding principal amount of the Champion Ever Notes as at the First Closing Date and the principal amount of the First Note to be issued;
- (xvii) the Charged Shares being directly owned by Champion Ever and Galaxy King (as the case may be), all being free and clear of all Encumbrances (except, as the case may be, the CE Physical Share Charge, the CE Post-closing Share Charge, the GK Physical Share Charge, the GK Post-closing Share Charge and the Share Charges) and any interests or claims of third parties, and each of Champion Ever and Galaxy King not being subject to any obligation to transfer or dispose of such Shares; and
- (xviii) receipt by the Purchaser of legal opinions issued by the Purchaser's legal advisers in relation to Hong Kong, Bermuda and the BVI Laws as of the First Closing Date each in a form satisfactory to the Purchaser.

In the event that any of the conditions precedent are not fulfilled or waived on or before 31 May 2018, i.e. the First Closing Long Stop Date, the Purchaser may, amongst other rights, terminate the Subscription Agreement.

Conditions precedent to the Second Note

The obligations of the Purchaser to subscribe and pay for the Second Note are conditional on each of the following having been satisfied (in the sole opinion of the Purchaser), or otherwise waived, on the Second Closing Date:

- (i) the completion of the issue and purchase of the First Note;
- (ii) all the Champion Ever Notes having been fully redeemed or repaid and all the obligations under the transaction documents relating to the Champion Ever Notes having been fully, irrevocably and unconditionally paid, performed or discharged to the satisfaction of the Purchaser;
- (iii) each of the conditions precedent for the First Closing remaining satisfied and/or waived, valid, in full force and effect, and having not been at any time revoked, cancelled or withdrawn (as the case may be);

- (iv) the resolutions of the board of director(s) of each of the Company, Champion Ever and Galaxy King and the resolutions of the shareholder(s) of each of Champion Ever and Galaxy King approving or authorising the matters that are required for the First Closing having not been rescinded, revoked, amended or modified in any respect and remaining in full force and effect;
- (v) there having been no Event of Default, and there being no Event of Default that would result from the proposed issue of the Second Note by the Company to the Purchaser;
- (vi) there having been no Event of Default (as defined in the Champion Ever Note Instrument), and there being no Event of Default (as defined in the Champion Ever Note Instrument) that would result from the proposed issue of the Second Note by the Company to the Purchaser;
- (vii) the Purchaser having received a written notice from the Company at least ten (10) Business Days prior to the Second Closing Date requesting for the completion of the issue of the Second Note;
- (viii) the entering into and due execution of the Second Note Certificate, the deeds of release relating to the Champion Ever Notes, and the relevant documents required to be executed or delivered pursuant to them, each in a form satisfactory to the Purchaser;
- (ix) all obligations under the Transaction Documents required to be performed by each of the Obligor on or before the Second Closing Date having been performed, and no breach of any provision of any Transaction Document or any Security Document by any of the Obligor;
- (x) each of Share Charges and the Supplemental Deeds not being revoked or terminated, all continuing to be in full force and effect, and all the Charged Shares remaining deposited to the Securities Account;
- (xi) such number of the Charged Shares free from all Encumbrances (except the Share Charges) remaining deposited to the Securities Account, such that the aggregate value of the Charged Shares, which is derived by multiplying the aggregate number of the Charged Shares by the Closing Price on the Trading Day immediately preceding the Second Closing Date, is not less than three times of the aggregate of the outstanding principal amount of the First Note as at the Second Closing Date and the principal amount of the Second Note to be issued;
- (xii) (subject to all the Champion Ever Notes having been fully redeemed or repaid and all the obligations under the Champion Ever Notes Transaction Documents having been fully, irrevocably and unconditionally paid, performed or discharged to the satisfaction of the Purchaser) the aggregate number of the Charged Shares being not less than 1,100,000,000;

- (xiii) the Charged Shares being directly owned by Champion Ever, all being free and clear of all Encumbrances (except the Share Charges) and any interests or claims of third parties, and Champion Ever not being subject to any obligation to transfer or dispose of such Shares; and
- (xiv) receipt by the Purchaser of legal opinions issued by the Purchaser's legal advisers in relation to Hong Kong, Bermuda and the BVI Laws as of the Second Closing Date each in a form satisfactory to the Purchaser.

In the event that any of the conditions precedent in relation to the issue of the Second Tranche Notes are not fulfilled or waived on or before 30 September 2018, i.e. the Second Closing Long Stop Date, the Purchase may elect not to proceed with the Second Closing.

The Security Documents and specific performance obligations of the controlling shareholders

Payment obligations and the performance of all the obligations of each of the Obligors under the Notes and the Transaction Documents are secured by the Security Documents entered or to be entered into by the Chargors and Mr. Wang.

Mr. Wang will enter into the Personal Guarantee on or before the First Closing Date to unconditionally and irrevocably guarantee the due and punctual performance by each of the Obligors under the Transaction Documents, including payment of all sums due and payable by the Obligors under the Transaction Documents.

The Chargors will enter into the Share Charges on or before the First Closing Date with the Purchaser, to charge an aggregate of 3,522,950,838 Shares, representing approximately 54.05% of the entire issued share capital of the Company, in favour of the Purchaser as continuing security for the obligations under the Transaction Documents.

For so long as any of the Champion Ever Notes and the Notes remains outstanding, if the Collateral Coverage Ratio on any Trading Day falls below 2.0, the Purchaser may require:

- (a) the Company to redeem all or a portion of the First Note and/or the Second Note;
or
- (b) the Chargors to charge, within the next three Business Days, additional Shares to the Securities Account so that the Collateral Coverage Ratio will increase to no less than 2.5.

The Chargors will enter into the Supplemental Deeds with, inter alia, the Safe-keeping Agent to authorise it to maintain the Securities Account.

REASONS FOR THE ISSUE OF NOTES

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 gross proceeds of the issue and the subscription for the Notes will amount from HK\$150,000,000 (assuming only the First Note will be issued) up to HK\$300,000,000 (assuming both Notes will be issued). The net proceeds of the issue and the subscription for the Notes, after deducting all related expenses payable by the Company, are estimated to be approximately HK\$148.5 million (assuming only the First Note will be issued) and HK\$298.5 million (assuming both Notes will be issued). As stipulated in the Subscription Agreement, the Company shall use the proceeds from the issue of the Notes for developing its principal business, including purchase of natural gas and settlement of expenses of the issue of the Notes.

The Board considers that the subscription for the Notes will not result in any dilution effect on the shareholding of the existing Shareholders while providing a good opportunity to strengthen the Company's financial position and the terms of the Subscription Agreement and the Note Instruments are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to the Subscription Agreement, the Chargors and Mr. Wang, each being a connected person of the Company, are required to provide collateral security and personal guarantee for the issue of the Notes and the continuing terms of the Notes, and the provision of such collateral security and personal guarantee (and thus financial assistance) by such connected persons of the Company constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Given that no security over the assets of the Group or financial assistance is granted to the Chargors and Mr. Wang, in respect of the grant of financial assistance by them to secure the Company's obligations under the Subscription Agreement and such grant of financial assistance by the Chargors and Mr. Wang is for the benefit of the Company on normal commercial terms (or better to the Company), such grant of financial assistance is fully exempted from the reporting, announcement and independent Shareholders' approval requirements of Chapter 14A of the Listing Rules under Rule 14A.90 of the Listing Rules.

GENERAL

Closing of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. Please refer to the section headed "Conditions precedent" above for further information.

As the issue and the subscription for the Notes may or may not be completed, the Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day on which commercial banks and foreign exchange markets settle payments in Hong Kong, excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted
“BVI”	the British Virgin Islands
“CE Physical Share Charge”	the share charge dated 30 April 2016 executed by Champion Ever in favour of the Purchaser pursuant to which Champion Ever charges, in favour of the Purchaser, certain number of certificated Shares owned by it as security for all sums due and payable to the Purchaser relating to the Champion Ever Notes
“CE Post-closing Share Charge”	the share charge dated 5 July 2016 executed by Champion Ever in favour of the Purchaser pursuant to which Champion Ever charges, in favour of the Purchaser, certain number of uncertificated Shares owned by it as security for all sums due and payable to the Purchaser relating to the Champion Ever Notes
“Champion Ever”	Champion Ever Limited, a company incorporated in the BVI, being the controlling shareholder of the Company and is 100% legally and beneficially owned by Mr. Wang
“Champion Ever Note Instrument”	the instrument by way of deed poll dated 25 May 2016 and executed by Champion Ever in relation to the Champion Ever Notes
“Champion Ever Notes”	the redeemable fixed coupon promissory notes in the aggregate principal amount of HK\$300,000,000 issued by Champion Ever to the Purchaser pursuant to a subscription agreement dated 30 April 2016 entered into by and among Champion Ever, Mr. Wang and the Purchaser and constituted by the Champion Ever Note Instrument

“Charged Shares”	without double counting, the Shares that are subject to the CE Physical Share Charge, the CE Post-closing Share Charge, the GK Physical Share Charge, the GK Post-closing Share Charge and the Share Charges from time to time
“Chargors”	Champion Ever and Galaxy King, and Chargor means any one of them
“Closing”	the First Closing or the Second Closing
“Collateral Coverage Ratio”	being the result of (A) the multiple of (i) the number of Charged Shares and (ii) the closing price per Share on any Trading Day, divided by (B) the aggregate outstanding principal amount of the Champion Ever Notes and the Notes
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Default Redemption Amount”	the amount payable by the Company to the Noteholder in respect of the outstanding principal amount of the Notes on the date of such redemption upon early redemption of the Notes due to occurrence of any event of default on the date of such redemption
“Director(s)”	the director(s) of the Company
“First Closing”	the consummation of the issue and purchase of the First Note
“First Closing Date”	the date on which the First Closing occurs, which shall be the date falling within five Business Days after the fulfilment or waiver (in whole or in part) of the conditions to the First Closing, or such other date as the Company and the Purchaser may agree in writing
“First Closing Long Stop Date”	31 May 2018, being the latest date on which all conditions precedent are fulfilled or waived in relation to the First Closing in accordance with the Subscription Agreement
“First Note”	the first tranche of the Notes in the principal amount of up to HK\$150,000,000 to be issued by the Company to the Purchaser at the First Closing

“Galaxy King”	Galaxy King Limited, a company incorporated in the BVI, which is 100% legally and beneficially owned by Mr. Wang
“GK Physical Share Charge”	the share charge dated 30 April 2016 executed by Galaxy King in favour of the Purchaser pursuant to which Galaxy King charges, in favour of the Purchaser, certain number of certificated Shares owned by it as security for all sums due and payable to the Purchaser relating to the Champion Ever Notes
“GK Post-closing Share Charge”	the share charge dated 5 July 2016 executed by Galaxy King in favour of the Purchaser pursuant to which Galaxy King charges, in favour of the Purchaser, certain number of uncertificated Shares owned by it as security for all sums due and payable to the Purchaser relating to the Champion Ever Notes
“Group”	the Company and its subsidiaries (as defined in the Listing Rules) from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Parties”	third parties independent of the Company and connected persons of the Company, and an “Independent Third Party” shall be construed accordingly
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the second anniversary of the issue date of the Notes, on which the outstanding principal amount payable under the Notes becomes due and payable
“Mr. Wang”	Mr. Wang Jianqing, the Chairman of the Board and an executive Director
“Note Instrument”	the note instrument to be executed by the Company creating and constituting the Notes
“Noteholder(s)”	holder(s) of any amount of the Notes from time to time
“Notes”	the secured guaranteed notes to be issued by the Company in the aggregate principal amount of up to HK\$300,000,000

“Obligors”	the Company, Champion Ever, Galaxy King and Mr. Wang, and “Obligor” means any one of them
“Personal Guarantee”	the deed of guarantee to be executed and delivered by Mr. Wang in favour of the Purchaser
“PRC”	the People’s Republic of China, for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	CCB International Overseas Limited, a company incorporated in Hong Kong
“Safe-keeping Agent”	CCB International Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in future contracts) and Type 4 (advising on securities) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Second Closing”	the consummation of the issue and purchase of the Second Note
“Second Closing Date”	the date on which the Second Closing occurs, which shall be the date falling within five Business Days after the fulfilment or waiver (in whole or in part) of the conditions to the Second Closing
“Second Closing Long Stop Date”	30 September 2018, being the latest date on which all conditions precedent are fulfilled or waived in relation to the Second Closing in accordance with the Subscription Agreement
“Second Note”	the secured guaranteed notes of an aggregate principal amount of up to HK\$150,000,000 to be issued by the Company to the Purchaser at the Second Closing
“Securities Accounts”	the securities accounts of the Chargors established with the Safe-keeping Agent pursuant to the Share Charges and the Supplemental Deeds
“Security Documents”	(i) the Personal Guarantees; (ii) the Share Charges; (iii) the Supplemental Deeds; and (iv) any documents constituting any security granted in favour of the Purchaser from time to time under or in connection with the Transaction Documents or the Notes

“Shares”	ordinary shares with a nominal value of HK\$0.10 each in the share capital of the Company
“Share Charges”	the share charges to be executed and delivered by Champion Ever and Galaxy King in favour of the Purchaser over certain number of Shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement entered into by and among the Company, Champion Ever, Galaxy King, Mr. Wang and the Purchaser on 27 April 2018, pursuant to which the Company has conditionally agreed to issue to the Purchaser the Notes
“Supplemental Deeds”	the deeds of supplemental undertaking and authorisation entered into by each of the Chargors with the Purchaser and the Safe-keeping Agent to authorise the Safe-keeping Agent to maintain the Securities Account
“Trading Day”	a day when the Stock Exchange is open for dealing business
“Transaction Documents”	(i) the Subscription Agreement; (ii) the Note Instrument; (iii) the certificates of the Notes (together with terms and condition attached); (iv) the Security Documents; and (v) any other documents designated in writing by the Company and the Purchaser, and any supplemental or amendment agreements, letters or deeds supplementing or amending such documents entered into from time to time
“%”	per cent

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

Hong Kong, 27 April 2018

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.