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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)

DISCLOSURE UNDER RULES 13.17 AND 13.18

On 7 September 2018, after trading hours, Guangzhou Yuan Heng has entered into two Maximum Secured Pledges with the Bank, pursuant to which the Bank has agreed to grant a maximum of RMB500 million revolving banking facilities to Guangzhou Yuan Heng from 21 August 2018 to 20 August 2023 which will be fully secured by two share charges on the Group's 49% equity interests of a non-wholly owned subsidiary and 49% equity interests of an associate company respectively.

In addition, the Bank has further requested, and Mr. Wang has agreed to pledge a total of 1,050 million Shares (representing about 16.04% of the entire issued shares of the Company as at the date of this announcement) by his two wholly owned companies, Champion Ever and Galaxy King entering into two Shareholders' Maximum Secured Pledges with the Bank, pursuant to which Champion Ever and Galaxy King will guarantee a maximum of RMB300 million banking facilities the Bank has or will be provided to Guangzhou Yuan Heng from 21 August 2018 to 20 August 2023.

LISTING RULES IMPLICATIONS

The two Shareholders' Maximum Secured Pledges, entered into by Champion Ever and Galaxy King, each being a connected person of the Company, to provide financial assistance to the Group are fully exempted connected transaction pursuant to Rule 14A.90 of the Listing Rules because it was conducted on normal commercial terms and no security over any asset of the Group or financial assistance is granted to Champion Ever, Galaxy King or Mr. Wang.

This announcement is made pursuant to Rules 13.17 and 13.18 to provide the necessary information of the Shares being pledged by Mr. Wang and the specific performance set out under the two Shareholders' Maximum Secured Pledges.

MAXIMUM SECURED PLEDGES

On 7 September 2018, after trading hours, Guangzhou Yuan Heng has entered into two Maximum Secured Pledges with the Bank, pursuant to which the Bank has agreed to grant a maximum of RMB500 million revolving banking facilities to Guangzhou Yuan Heng from 21 August 2018 to 20 August 2023 which will be fully secured by two share charges on the Group's 49% equity interests of a non-wholly owned subsidiary and 49% equity interests of an associate company respectively.

SHAREHOLDERS' MAXIMUM SECURED PLEDGES

In addition, the Bank has further requested, and Mr. Wang has agreed to pledge a total of 1,050 million Shares (representing about 16.04% of the entire issued shares of the Company as at the date of this announcement) by his two wholly owned companies, Champion Ever and Galaxy King entering into two Shareholders' Maximum Secured Pledges with the Bank, pursuant to which Champion Ever and Galaxy King will guarantee a maximum of RMB300 million banking facilities the Bank has or will be provided to Guangzhou Yuan Heng from 21 August 2018 to 20 August 2023.

Pursuant to the two Shareholders' Maximum Secured Pledges, the Bank is entitled to request Champion Ever and Galaxy King to provide additional Shares or other assets as additional securities if there are obvious fall of the value of the pledged Shares. Specifically, Champion Ever and Galaxy King are required to provide additional securities if the value of the pledged Shares become less than 140% of the guaranteed maximum banking facilities of RMB300 million, and in the event that Guangzhou Yuan Heng, Champion Ever or Galaxy King fails to provide additional securities, the Bank will be entitled to and may enforce the securities and has priority over the proceeds from the sales of the securities; and that the Bank will be entitled to and may enforce the securities and has priority over the proceeds from the sales of the securities under the two Shareholders' Maximum Secured Pledges if the value of the pledged Shares become less than 125% of the guaranteed maximum banking facilities of RMB300 million. Champion Ever and Galaxy King are also required to deposit the said pledged Shares to a custodian account designated by the Bank for the continuance of the two Shareholders' Maximum Secured Pledges.

INFORMATION OF THE LENDER

The Bank is one of the largest commercial bank in China. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Bank and its ultimate beneficial owners is an Independent Third Party.

REASONS FOR ENTERING INTO THE TWO MAXIMUM SECURED PLEDGES

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 liquefied natural gas and other auxiliary operations and networks in the PRC.

Due to the nature of the business of the Group, the transaction amounts are generally substantial in nature and commercially it would be beneficial to the Group to have sufficient banking facilities from time to time to satisfy the Group's working capital need.

Due to the recent uncertainty in global trade and business environment, it has become more difficult to secure banking facilities unless higher costs or additional securities are provided to the banks. The Board has sought, and which Mr. Wang, our controlling shareholder, Chairman and an Executive Director has agreed to assist the Company to secure the banking facilities by providing additional securities to the Bank. The financial assistance received by the Group under the two Shareholders' Maximum Secured Pledges are conducted on normal commercial terms and they are not secured by any assets of the Group. No financial compensation will be given to Champion Ever, Galaxy King or Mr. Wang in relation to their financial assistance provided in favour of the Group.

The Directors consider that the entering into of the Maximum Secured Pledges and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The two Shareholders' Maximum Secured Pledges, entered into by Champion Ever and Galaxy King, each being a connected person of the Company, to provide financial assistance to the Group are fully exempted connected transaction pursuant to Rule 14A.90 of the Listing Rules because it was conducted on normal commercial terms and no security over any asset of the Group or financial assistance is granted to Champion Ever, Galaxy King or Mr. Wang.

This announcement is made pursuant to Rules 13.17 and 13.18 to provide the necessary information of the Shares being pledged by Mr. Wang and the specific performance set out under the two Shareholders' Maximum Secured Pledges.

DEFINITIONS

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

“Bank”	the Guangzhou Fa City Sub-branch of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司廣州花城支行)
“Board”	the board of Directors
“Champion Ever”	Champion Ever Limited, a company incorporated in the BVI, being the controlling shareholder of the Company and is 100% legal and beneficially owned by Mr. Wang
“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
“Director(s)”	the director(s) of the Company
“Galaxy King”	Galaxy King Limited, a company incorporated in the BVI, which is 100% legal and beneficially owned by Mr. Wang
“Group”	the Company and its subsidiaries (as defined in the Listing Rules) from time to time
“Guangzhou Yuanheng”	廣州元亨燃氣有限公司 (Guangzhou Yuanheng Gas Co., Limited*), a wholly-owned foreign enterprise established under the laws of the PRC and an indirectly wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Maximum Secured Pledges”	two maximum secured pledges (最高額質押合同) entered into between Guangzhou Yuan Heng and the Bank on 7 September 2018 pursuant to which the Bank will provide a maximum of RMB500 million revolving banking facilities to Guangzhou Yuan Heng which will be fully secured by two share charges on the Group’s 49% equity interests of a non-wholly owned subsidiary and 49% equity interests of an associate company respectively
“Mr. Wang”	Mr. Wang Jianqing, the Chairman of the Board, an executive Director and the controlling shareholder of the Company
“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
“Shares”	ordinary shares with a nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Maximum Secured Pledges”	two maximum secured pledges (最高額質押合同) entered into between Champion Ever and Galaxy King respectively and the Bank on 7 September 2018 pursuant to which the Bank will provide a maximum of RMB500 million revolving banking facilities to Guangzhou Yuan Heng of which RMB300 million will be fully secured by two share charges on a total of 1,050 million Shares held by Champion Ever and Galaxy King
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

* *for identification purpose only*

Hong Kong, 7 September 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.