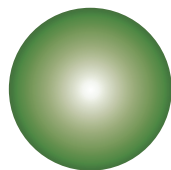


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元亨燃氣

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  
RELATING TO  
THE EXTENSION OF THE MATURITY DATE AND AMENDMENTS  
TO THE TERMS OF THE 8% SECURED GUARANTEED NOTES**

On 29 April 2020, after trading hours, the Company, Champion Ever, Galaxy King, Mr Wang and the Purchaser entered into the Amendment Agreement, pursuant to which the parties have conditionally agreed to extend the maturity date under the Notes to 30 April 2022 and to revise certain terms of the Subscription Agreement and the Note Instrument.

The effectiveness of the undertaking of the Company, the respective revised terms of the Subscription Agreement and the Notes Instrument are conditional on each of the conditions precedents in the Amendment Agreement having been satisfied (in the sole opinion of the Purchaser), or otherwise waived by the Purchaser, on or before the Effective Date.

## **LISTING RULES IMPLICATIONS**

Pursuant to the Amendment Agreement, the Chargors and Mr Wang, each being a connected person of the Company, are required to continually provide collateral security and personal guarantee for 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 Amendment 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.

Reference is made to the announcements of the Company dated 27 April, 4 May and 30 May 2018 in relation to the issuance of the Notes by the Company of an aggregate principal amount of HK\$300,000,000 to the Purchaser.

The Board announces that on 29 April 2020, after trading hours, the Company, Champion Ever, Galaxy King, Mr Wang and the Purchaser entered into the Amendment Agreement, pursuant to which the parties have conditionally agreed to extend the maturity date under the Notes to 30 April 2022 and to revise certain terms of the Subscription Agreement and the Note Instrument as set out below in further details.

## **THE AMENDMENT AGREEMENT**

Set out below are the principal terms of the Amendment Agreement:

### **Date:**

29 April 2020

### **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 is the beneficial owner of 100% equity interests in Champion Ever and Galaxy King
- (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 Amendment Agreement, each of the Purchaser and its ultimate beneficial owner, China Construction Bank Corporation, a company established in the PRC (whose H shares are listed on the Stock Exchange (Stock Code: 939) and A shares are listed on the Shanghai Stock Exchange (Stock Code: 601939)), is an Independent Third Party and the Purchaser is principally engaged in investment holdings and its ultimate beneficial owner is principally engaged in banking, financial and investment business.

### **The revised terms of the Subscription Agreement and the Note Instrument**

The following summary of the principal revised terms of the Subscription Agreement and the Note Instrument are arrived at after arm's length negotiations between the Purchaser and the Company and are subject to the conditions precedent as set out in the Amendment Agreement having been satisfied (or waived by the Purchaser) on or before the Effective Date.

### ***Revised Maturity Date:***

The maturity date will be revised to 30 April 2022, on which the outstanding principal amount payable under the Notes becomes due and payable.

***Handling fee:***

The Company shall pay the Purchaser a handling fee in respect of each Note:

- (a) at the rate of 1.5% per annum on the aggregate outstanding principal amount of such Note from (and including) its respective issue date to (and including) 3 May 2020; and
- (b) at the rate of 2.0% per annum on the aggregate outstanding principal amount of such Note from (and including) 4 May 2020 to (and including) the actual redemption date of the outstanding principal amount of the Note,

payable in arrears by the Company to the Purchaser every six months from their respective issue date(s) (if the payment date is not a Business Day, the immediately succeeding Business Day thereof).

***Revised specific performance obligations of the controlling shareholders:***

Effective from 8 April 2020, for so long as any of the Notes remains outstanding, if the Collateral Coverage Ratio on any Trading Day falls below 2.0 (a “**Top-Up Triggering Event**”), the Purchaser may require:

- (a) the Company to redeem all or a portion of the Notes (if any), and the Company shall, upon notification in writing by the Purchaser, immediately redeem such Note at an amount equal to the aggregate of:
  - (i) the relevant aggregate principal amount of such Note;
  - (ii) any accrued but unpaid interest and outstanding Handling Fee on such Note; and
  - (iii) any outstanding amount relating to such Note under the Transaction Documents;or
- (b) the Chargors, upon receipt of such request it shall, within three Business Days from the day on which the Top-Up Triggering Event occurs, charge additional Shares in favour of the Purchaser as additional security by transferring such number of additional Shares which are beneficially owned by the relevant Chargor(s) and free from encumbrances (or through any other actions or mechanisms satisfactory to the Purchaser at its absolute discretion) so that, on the Trading Day during which the grant of such additional security is completed, the Collateral Coverage Ratio will increase to no less than 2.0, provided that the relevant Chargor(s) shall promptly at its/their own cost do all things and/or take all actions as the Purchaser may specify:
  - (i) to deposit such additional Shares which are subject to the additional security to the relevant Securities Account(s) (as defined in the Subscription Agreement);

- (ii) to perfect the additional security created or intended to be created in respect of such additional Shares; and
- (iii) to facilitate the enforcement of the additional security or the realisation of such additional Shares which are subject to the Additional Security.

Save as the above revisions, the other principal terms of the Notes remain unchanged.

### **Undertaking of the Company**

The Company undertakes to the Purchaser to redeem the Notes in instalments together with (i) any accrued but unpaid interest (including any Default Interest) and outstanding Handling Fee on such instalment; and (ii) any outstanding amounts under the Transaction Documents relating to such instalment in accordance with the following timetable:

| <b>Date of redemption</b>  | <b>Principal amount<br/>of the Notes to be<br/>redeemed</b> | <b>Outstanding balance<br/>of the principal<br/>amount of the Notes<br/>after the redemption</b> |
|--|---|--|
| Not later than 4 May 2020 (or such other date as may be agreed by the Purchaser in its sole and absolute discretion)       | HK\$30,000,000  | HK\$270,000,000  |
| Not later than 31 December 2020 (or such other date as may be agreed by the Purchaser in its sole and absolute discretion) | HK\$30,000,000  | HK\$240,000,000  |
| Not later than 31 December 2021 (or such other date as may be agreed by the Purchaser in its sole and absolute discretion) | HK\$30,000,000  | HK\$210,000,000  |
| Not later than 30 April 2022   | HK\$210,000,000   | HK\$0  |
| <b>Total</b>   | <b>HK\$300,000,000</b>                                      |  |

The above undertaking of the Company shall become effective on the Effective Date.

*Note:* The redemption of the HK\$30,000,000 on or before 4 May 2020 forms part of the condition precedent (b) as set out below.

## Conditions Precedent under the Amendment Agreement

The effectiveness of the undertaking of the Company above, the respective revised terms of the Subscription Agreement and the Notes Instrument are conditional on each of the following having been satisfied (in the sole opinion of the Purchaser), or otherwise waived by the Purchaser, on or before the Effective Date:

- (a) the Purchaser having obtained and performed all necessary external, internal and corporate approvals and checks under all applicable laws regarding the Supplemental Transaction Documents (as defined in the Amendment Agreement) and such approvals remaining valid and having not been revoked as at the Effective Date;
- (b) the Company having redeemed a portion of the Notes in the aggregate principal amount of HK\$30,000,000, together with (i) any accrued but unpaid interest (including any Default Interest) and outstanding Handling Fee on such portion of the Notes; and (ii) any outstanding amounts under the Transaction Documents relating to such portion of the Notes, on or before 4 May 2020;
- (c) the Company having settled all outstanding interest (including any Default Interest) and Handling Fee on the aggregate outstanding principal amount of the Notes accrued up to (and including) 4 May 2020 on or before 4 May 2020;
- (d) the representations and warranties as set out in clause 4.1 of the Subscription Agreement (as amended or replaced by the Amendment Agreement) remaining true, accurate and not misleading in each case in accordance with their terms;
- (e) since the date of the Amendment Agreement, there having been, in the opinion of the Purchaser, no Material Adverse Change (as defined in the Subscription Agreement);
- (f) the following documents, each in the form and substance satisfactory to the Purchaser, having been delivered by the Company to the Purchaser:
  - (i) an original of the Supplemental Note Instrument dated the Effective Date duly executed and delivered as a deed poll by the Company;
  - (ii) an original of a duly executed certificate of each of the Company, Champion Ever, and Galaxy King dated the Effective Date substantially in the form set out in the Amendment Agreement;
  - (iii) an original of each of the Amendment Deeds (as defined in the Amendment Agreement) dated the Effective Date duly executed by Champion Ever and Galaxy King (as the case may be);

(iv) a certified true copy of each of the resolutions of the board of directors of the Company and the resolutions of all director(s) and all shareholder(s) of each of Champion Ever and Galaxy King:

- (1) approving the terms of, the transactions contemplated by, and the execution and performance of the Supplemental Transaction Documents (as defined in the Amendment Agreement) to which it is a party and resolving that it executes and delivers the Supplemental Transaction Documents to which it is a party;
- (2) authorising a specified person or persons to execute and deliver the Supplemental Transaction Documents to which it is a party on its behalf; and
- (3) authorising a specified person or persons, on its behalf, to sign, execute and/or despatch all documents and notices to be signed, executed and/or despatched by it under or in connection with the Supplemental Transaction Documents to which it is a party;

(g) 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 Effective Date each addressed to and in a form satisfactory to the Purchaser; and

(h) receipt by the Purchaser of evidence showing that the Company has duly settled the legal fees of the Purchasers' legal advisers.

The Company expects that all the above conditions precedent will be satisfied by 4 May 2020, i.e. the Effective Date. If any of the conditions precedent are not satisfied, or waived by the Purchaser by 4 May 2020, the above revisions to the terms of the Subscription Agreement and the Notes Instrument, in particular, the Revised Maturity Date will not become effective on 4 May 2020 and the Company will be in breach of the original terms of the Notes Instrument as the Company is required to repay all outstanding amount on the original maturity date, i.e. on 4 May 2020. Further announcement will be published by the Company on 4 May 2020.

#### **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 into by the Chargors and Mr Wang.

The Personal Guarantee provided by Mr Wang shall continue to be, which Mr Wang unconditionally and irrevocably guarantees 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 Amendment Deeds on or before the Effective Date as continuing security for the obligations under the Transaction Documents. The Amendment Deeds are to update certain revisions to the wordings and provisions relating to the top-up of Shares by the Chargors as described in the sub-section “Revised specific performance obligations of the controlling shareholders” above.

As at the date of this announcement, the Chargors have charged an aggregate of 1,500,000,000 Shares, representing approximately 22.92% of the entire issued share capital of the Company, in favour of the Purchaser as continuing security for the obligations under the Transaction Documents.

## **REASONS FOR ENTERING INTO THE AMENDMENT AGREEMENT**

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 Company have been utilising 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 have considered that 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.

In view of the continuing volatile global economies, the coronavirus pandemic and the disputes among major oil producing countries have negatively affected and impacted the oil and gas industries and disrupted the business and financial operations of many markets players. As a result, the Board considers that it would be prudent to renew the Notes so that the Company will have sufficient available financial resources and working capital on hand to minimize any potential adverse impact that may be caused by counterparties of the Group and/or volatile market conditions.

The Board is also pleased that Mr. Wang is willing to continue to provide support to the Group by continuing the above mentioned securities, personal guarantee and financial assistance to the Group.

Taking into account the factors above, the Board considers that the revised terms to the Subscription Agreement and the Note Instruments under the Amendment Agreement are subject to arm’s length negotiation with the Purchaser and are on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole.



## LISTING RULES IMPLICATIONS

Pursuant to the Amendment Agreement, the Chargors and Mr Wang, each being a connected person of the Company, are required to continually provide collateral security and personal guarantee for 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 Amendment 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

The effectiveness of certain terms of the Amendment Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. Please refer to the section headed "Conditions precedent under the Amendment Agreement" above for further information.

**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:

|                       |   |
|-----------------------|---|
| "Amendment Agreement" | the supplemental deed dated 29 April 2020 relating to the Subscription Agreement and entered into by the parties thereto  |
| "Amendment Deeds"     | the amendment deeds to the Share Charges entered or to be entered into by Champion Ever and Galaxy King, respectively, and the Purchaser  |
| "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  |

|                             |  |
|-----------------------------|--|
| “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   |
| “Charged Shares”            | the Shares that are subject to the Share Charges as amended from time to time  |
| “Chargors”                  | Champion Ever and Galaxy King, and Chargor means any one of them   |
| “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 principal amount of 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   |
| “Director(s)”               | the director(s) of the Company   |
| “Effective Date”            | means 4 May 2020, provided only that each of the conditions precedent as set out in the Amendment Agreement have been satisfied or otherwise waived by the Purchaser, or such other date as the Company and the Purchaser may agree in writing |
| “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   |
| “Handling Fee”              | such handling fee to be paid by the Company to the Purchaser under the Supplemental Note Instrument  |
| “HK\$”                      | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the PRC   |
| “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  |

|                         |  |
|-------------------------|--|
| “Mr Wang”               | Mr Wang Jianqing, the Chairman of the Board and an executive Director, and also the controlling shareholder of the Company   |
| “Note Instrument”       | the note instrument dated 4 May 2018 executed by the Company creating and constituting the Notes   |
| “Noteholder(s)”         | the Purchaser, being the sole holder of the Note, and where context requires, shall mean holder(s) of any amount of the Notes from time to time  |
| “Notes”                 | the secured guaranteed notes issued by the Company on 4 May 2018 and 30 May 2018 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 dated 27 April 2018 and 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 with limited liability   |
| “Revised Maturity Date” | 30 April 2022, on which the outstanding principal amount payable under the Notes becomes due and payable   |
| “Security Documents”    | (i) the Personal Guarantee; (ii) the Share Charges; (iii) the Amendment Deeds; and (iv) any document constituting any security granted in favour of the Purchaser from time to time under or in connection with the Transaction Documents or the Notes |
| “Share Charges”         | two share charges dated 27 April 2018 executed and delivered by Champion Ever and Galaxy King respectively in favour of the Purchaser over certain number of Shares  |
| “Shareholder(s)”        | holder(s) of the Shares  |
| “Shares”                | ordinary shares with a nominal value of HK\$0.10 each in the share capital of the Company  |

|                                      |  |
|--------------------------------------|--|
| “Stock Exchange”                     | The Stock Exchange of Hong Kong Limited  |
| “Subscription Agreement”             | the subscription agreement dated 27 April 2018 and entered into by and among the Company, Champion Ever, Galaxy King, Mr Wang and the Purchaser  |
| “Supplemental Note Instrument”       | the supplemental note instrument to be executed by the Company relating to the Note Instrument pursuant to the Amendment Agreement   |
| “Supplemental Transaction Documents” | (a) the Amendment Agreement; (b) the Supplemental Note Instrument; (c) the Amendment Deeds; and (d) the relevant documents required to be executed or delivered pursuant to such documents, and is each designated as a Transaction Documents pursuant to the Subscription Agreement   |
| “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; (v) the Supplemental Transaction Documents; and (vi) 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, 29 April 2020

*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.*