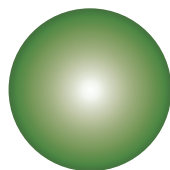

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yuan Heng Gas Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

- (1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES;
(2) RE-ELECTION AND ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM to be held on Tuesday, 26 September 2023 at 11:00 a.m. at Meeting Room 1&2, 22/F., United Centre, 95 Queensway, Admiralty, Hong Kong is set out on pages 20 to 25 of this circular. A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.yuanhenggas.com.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, and in any event not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

25 August 2023

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EXPECTED TIMETABLE

2023

Closure of Register (both dates inclusive)	Thursday, 21 September to Tuesday, 26 September
Latest time for lodging the proxy forms for use at the AGM	11:00 a.m. on Sunday, 24 September
Record Date for determination of entitlements to the AGM	Tuesday, 26 September
Date and time of AGM	11:00 a.m. on Tuesday, 26 September
Announcement of the poll results of the AGM to be posted on the HKExnews website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yuanhenggas.com	After 4:00 p.m. on Tuesday, 26 September

Notes:

1. All dates and time set out in this circular refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) at the HKExnews website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yuanhenggas.com as and when appropriate and in accordance with the Listing Rules.
3. The AGM will be held on 26 September 2023 as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day. However, if Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect at any time after 9:30 a.m. and before the above meeting time, the AGM will be postponed. The Company will post an announcement at the HKExnews website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yuanhenggas.com to notify shareholders of the date, time and place of the rescheduled meeting.

DEFINITIONS

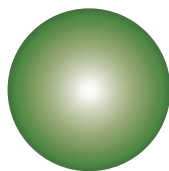
In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Meeting Room 1&2, 22/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 26 September 2023 at 11:00 a.m., notice of which is set out on pages 20 to 25 of this circular, or any adjournment thereof
“AGM Notice”	the notice dated 25 August 2023 convening the AGM set out on pages 20 to 25 of this circular
“Board”	the board of Directors
“Buy-backs Mandate”	the proposed general mandate to buy-back Shares to be granted to the Directors to exercise the powers of the Company to buy-back Shares up to a maximum number equivalent to 10% of the number of shares in issue in manner set out in the ordinary resolution number 5 of the AGM Notice
“Bye-laws”	the bye-laws of the Company for the time being
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“close associate”	has the meaning ascribed to this term under the Listing Rules
“Company”	Yuan Heng Gas Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“core connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	the proposed general mandate to issue Shares and securities convertible into Shares to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares in manner set out in the ordinary resolution number 4 of the AGM Notice
“Latest Practicable Date”	22 August 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. Wang Jianqing, the Chairman and an executive Director
“Register”	the register of members of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Registrar”	Tricor Tengis Limited, being the branch share registrar and transfer office of the Company in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (or other share registrar as the Company may from time to time appoint)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to this term under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Board of Directors:

Executive Directors

Mr. Wang Jianqing (*Chairman and Chief Executive Officer*)

Mr. Bao Jun

Independent Non-Executive Directors

Dr. Leung Hoi Ming

Mr. Wong Chi Keung

Mr. Tom Xie

Registered Office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Principal place of business:

Room 4102, 41/F

Far East Finance Centre

16 Harcourt Road

Hong Kong

25 August 2023

To the Shareholders

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES;
(2) RE-ELECTION AND ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Board is pleased to inform you that the AGM is scheduled to be held at 11:00 a.m., on Tuesday, 26 September 2023 at Meeting Room 1&2, 22/F., United Centre, 95 Queensway, Admiralty, Hong Kong.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information in relation to the following resolutions to be proposed at the AGM:

- (a) the re-election and election of Directors;
- (b) the granting of the Issue Mandate and the Buy-backs Mandate to the Directors;
- (c) the extension of the Issue Mandate by adding to it the aggregate number of the issued Shares bought-back by the Company under the Buy-backs Mandate; and
- (d) the giving of the AGM Notice.

2. PROPOSED RE-ELECTION AND ELECTION OF DIRECTORS

(a) Re-election of Directors

In accordance with Bye-law 84, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation such that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

The Directors retiring by rotation are Mr. Wang Jianqing, an executive Director (“**Mr. Wang**”), and Dr. Leung Hoi Ming, an independent non-executive Director (“**Dr. Leung**”), who being eligible have offered themselves for re-election at the AGM.

Pursuant to code provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, any further appointment of an independent non-executive director serving more than 9 years should be subject to a separate resolution to be approved by shareholders. At the AGM, separate ordinary resolutions will be proposed for each of Mr. Wang and Dr. Leung of their re-election.

Information on Mr. Wang and Dr. Leung as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

In proposing re-election of Mr. Wang and Dr. Leung at the AGM, the Nomination Committee has considered the desired criteria stipulated in the Company’s nomination policy for director appointment as well as the diversified objectives under the board diversity policy of the Company (details of which are set out in the Corporate Governance Report in the Company’s Annual Report 2023).

LETTER FROM THE BOARD

The Nomination Committee has also reviewed the structure and composition of the Board, the biographical details of Mr. Wang and Dr. Leung, the qualifications, skills and experience, time commitment and contribution of Mr. Wang and Dr. Leung with reference to the Company's nomination policy, and their respective management experience and business connections. The Nomination Committee is of the view that each of Mr. Wang and Dr. Leung is knowledgeable and has the requisite expertise and experience, and has been contributing to the Group effectively.

Dr. Leung, who has served the Board as an independent non-executive Director for more than 9 years, has made an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee of the Company has assessed the independence of Dr. Leung and considered he meets the independence guideline set out in the Listing Rules. The Nomination Committee observed that Dr. Leung did not involve in the daily management of the Company nor in any relationship or circumstances that would materially compromise his independent role. The Nomination Committee is satisfied that, taking into account, *inter alia*, the valuable independent judgement, advice and objective views contributed by Dr. Leung over his tenure, he is of such character, integrity and experience commensurate with office of independent non-executive director and remains independent notwithstanding his length of service. Dr. Leung currently is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

Each of Mr. Patrick Wong and Dr. Leung have previously informed the Company that currently they are common directors of another listed company, Daisho Microline Holdings Limited (Stock Code: 567) ("**Daisho Microline**"), where Mr. Patrick Wong is an executive director and Dr. Leung is an independent non-executive director, and each of them have confirmed to the Company that their independence to act or continue to act as independent non-executive directors of the Company would not be affected by their common directorships in Daisho Microline.

The Nomination Committee has made recommendations to the Board. The Board considers the contribution and support of Mr. Wang and Dr. Leung to the Board to be invaluable and it is in the best interests of the Company and the Shareholders as a whole to re-elect each of Mr. Wang and Dr. Leung as a Director of the Company at the AGM. Each of Mr. Wang and Dr. Leung abstained from voting for the relevant resolutions at both the Nomination Committee (since they are currently both members of the Nomination Committee) and the Board meeting regarding his own nomination.

LETTER FROM THE BOARD

(b) Election of a new independent non-executive Director

Pursuant to code provision B.2.4 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, the length of tenure of the independent non-executive Directors are as follows:

	Length of tenure
Dr. Leung Hoi Ming	13 years and 7 months
Mr. Wong Chi Keung	13 years and 7 months
Mr. Tom Xie	13 years and 7 months

As such, the Board proposed to appoint Mr. Wong Siu Hung, Patrick (“**Mr. Patrick Wong**”) as an additional independent non-executive Director of the Company, subject to Shareholder’s approval at the AGM.

The Board noted that on 26 May 2014, the Listing Committee of the Stock Exchange (the “**Listing Committee**”) censured Mr. Patrick Wong, who was then an executive director of Titan Petrochemicals Group Limited (Stock Code: 1192), for breaches of his obligations (the “**Breaches**”) to use his best endeavours to procure Titan Petrochemicals Group Limited’s compliance with Rules 13.09 and 14.36 of the Listing Rules (the “**Censure**”). The Listing Committee directed Mr. Patrick Wong to attend (a) 24 hours of training on Listing Rule compliance, director’s duties and corporate governance matters, and (b) 4 hours on the Rule 13.09 compliance and inside information disclosure (under the Securities and Futures Ordinance) effective 1 January 2013 provided by course providers approved by the Listing Division (altogether 28 hours, the “**Training**”). Mr. Patrick Wong confirmed that he completed the Training on 9 July 2014 in accordance with the above direction. For details of the Censure, please refer to the regulatory announcement of the Stock Exchange dated 26 May 2014 (the “**Regulatory Announcement**”).

The Nomination Committee and the Board have reviewed the Censure and the Regulatory Announcement, and are of the view that notwithstanding the Censure, Mr. Patrick Wong is still suitable to act as an independent non-executive director under Rules 3.08 and 3.09 of the Listing Rules, for the following reasons:

- (a) Mr. Patrick Wong has extensive experience in banking, finance, commodity trading and project development. The Nomination Committee considers and the Board agreed that Mr. Patrick Wong would be a valuable addition to the Board and his experience can bring valuable insight and contribution to the Group;
- (b) as disclosed in the Regulatory Announcement, the Breaches did not involve any dishonest nor fraudulent conduct of Mr. Patrick Wong, nor any integrity issue of Mr. Patrick Wong;

LETTER FROM THE BOARD

- (c) as disclosed in the Regulatory Announcement, the Breaches were related to a disclosure obligation arose approximately 12 years ago, and the Censure was the first time Mr. Patrick Wong was being found in breach of the Listing Rules, and Mr. Patrick Wong has not been found in breach of the Listing Rules since the Censure;
- (d) Mr. Patrick Wong has undergone and completed the Training on, among others, Listing Rules compliance, director's duties and corporate governance matters in accordance with the direction of the Listing Committee as disclosed in the announcement of Titan Petrochemicals Group Limited dated 23 July 2014. Mr. Patrick Wong also confirmed that he has completed the required Training; and
- (e) Mr. Patrick Wong has acted as directors (including independent non-executive director) for other companies listed on the Stock Exchange and is currently an executive director of another company listed on the Stock Exchange since the Breaches.

Based on the above, the Nomination Committee is of the view and the Board agrees that notwithstanding the Censure, Mr. Patrick Wong has the character, experience and integrity and is able to demonstrate a standard of competence and meet the required levels of skill, care and diligence to discharge his fiduciary duties as an independent non-executive Director as required under Rules 3.08 and 3.09 of the Listing Rules. If the appointment of Mr. Patrick Wong is approved by the Shareholders, Mr. Patrick Wong shall also become a member of the Audit Committee of the Company.

Information on Mr. Patrick Wong as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

3. GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES

The Issue Mandate and the Buy-backs Mandate shall be effective upon passing of the relevant resolutions at the AGM until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the AGM; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, or any applicable law of Bermuda to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

LETTER FROM THE BOARD

The Directors are seeking the approval of ordinary resolutions at the AGM to grant to the Directors:

- (a) the Issue Mandate: to allot, issue and otherwise deal with the Shares and securities convertible into Shares up to 20% of the number of issued Shares as at the date of passing the proposed resolution at the AGM;
- (b) the Buy-backs Mandate: to purchase Shares up to 10% of the number of issued Shares as at the date of passing the proposed resolution at the AGM; and
- (c) an extension to the Issue Mandate: subject to passing of the ordinary resolutions to approve the Issue Mandate and the Buy-backs Mandate at the AGM, extend the Issue Mandate by number of Shares which may be bought-back by the Company under the Buy-backs Mandate.

As at the Latest Practicable Date, there were 6,545,621,131 Shares in issue. Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Buy-backs Mandate at the AGM and on the basis that no further Shares are issued or bought-back between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 1,309,124,226 Shares (representing 20% of the number of issued Shares at the time of the passing of the resolution approving the Issue Mandate) under the Issue Mandate and to buy-back up to a maximum of 654,562,113 Shares (representing 10% of the number of issued Shares at the time of the passing of the resolution approving the Buy-backs Mandate) under the Buy-backs Mandate.

The Issue Mandate provides the Directors with flexibility to issue Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily. The Directors have no present intention to exercise the Issue Mandate to allot, issue and deal with Shares and securities convertible into Shares and to exercise the Buy-backs Mandate to buy-back Shares.

An explanatory statement containing all the relevant information required under the Listing Rules regarding the Buy-backs Mandate is set out in the Appendix II to this circular. The information in the explanatory statement is to provide the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

4. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

5. THE AGM

The AGM will be held at Meeting Room 1&2, 22/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 26 September 2023 at 11:00 a.m.

The AGM Notice is set out on pages 20 to 25 of this circular. At the AGM, in addition to the ordinary business of the meeting, resolutions will be proposed to approve the Issue Mandate, the Buy-backs Mandate and the re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular. Such form of proxy is also published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.yuanhenggas.com.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, and in any event not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

The Register will be closed from Thursday, 21 September 2023 to Tuesday, 26 September 2023 (both days inclusive) in order to determine the Shareholders' entitlements to attend and vote at the AGM, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 20 September 2023.

6. RECOMMENDATIONS

The Directors consider the two Directors subject to retirement by rotation provisions who, being eligible, have offered for re-election have been serving the Company well during their respective terms in office and believe they will continue to contribute their expertise and dedication to the Group in the coming years.

The Directors consider the election of Mr Patrick Wong would benefit the Company and the Shareholders as a whole given his experience.

The Directors believe that an exercise of the Issue Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily.

LETTER FROM THE BOARD

The Buy-backs Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a buy-back of Shares will benefit the Company and the Shareholders as a whole.

In view of the reasons set out above and in this circular, the Directors believe that the re-election and election of Directors, and the proposed grant of the Issue Mandate and the Buy-backs Mandate are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

8. FURTHER INFORMATION

Your attention is drawn to the additional information set out in appendices to this circular. This circular is in English and Chinese. In the case of any inconsistency, the English version shall prevail.

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

Set out below are the biographical and other details of (a) each of the Directors who will retire from office at the AGM and, being eligible, offer themselves for re-election in accordance with Bye-law 84; and (b) the independent non-executive director proposed to be elected at the AGM.

EXECUTIVE DIRECTOR**Mr. Wang Jianqing**

Mr. Wang, aged 54, has been appointed as an executive director of the Company since December 2010, as the chairman of the Company since 27 January 2011 and as the chief executive officer of the Company on 15 September 2011. He has also been the general manager of 廣州元亨能源有限公司 (Guangzhou Circle Energy Company Limited*) since January 2009. He obtained his bachelor's degree in Industrial Management Engineering from 鎮江船舶學院 (Zhenjiang Shipbuilding College) (now known as 江蘇科技大學 (Jiangsu University of Science and Technology)) in 1989. Mr. Wang currently holds directorships in certain subsidiaries of the Group.

Save as disclosed, Mr. Wang does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Mr. Wang is a cousin of Mr. Bao Jun, an executive Director of the Company. Save as disclosed above, Mr. Wang does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Wang was deemed interested in, and duplicated, the 50,017,949 Shares which Champion Golden Limited is interested, the 3,602,323,177 Shares which Champion Ever Limited is interested and the 586,486,402 Shares which Galaxy King Limited is 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. Save as disclosed above, Mr. Wang does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

For the year ended 31 March 2023, Mr. Wang was entitled to receive an annual director's fee of HK\$780,000 from the Company. Such remuneration is determined by the Board with reference to Mr. Wang's experiences, scope of duties and responsibilities.

* *English translation for identification purpose only*

Save as disclosed above, there is no information relating to the re-election of Mr. Wang, as an executive Director that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of Mr. Wang.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Dr. Leung Hoi Ming**

Dr. Leung, aged 56, has joined the Company as an independent nonexecutive director since 19 January 2010. He has extensive knowledge and experience in risk management of financial instruments, treasury business and financial derivative products. He has served DBS Bank for eight years and was Senior Vice President in the Treasury and Markets Division upon his departure from the bank on 22 May 2009. Dr. Leung started his career in the finance industry in 1996 with Citibank as quantitative analyst in the Equity Derivatives Asia Department. He had served a few other financial institutes before joining DBS Bank Ltd as a financial product specialist as well and had held various roles in business development, trading and risk management.

Dr. Leung, a native Hong Kong citizen with Chinese nationality, holds a Bachelor (First Class Honours) degree of Science (1990) from the Chinese University of Hong Kong, a Master degree of Science in Mathematics (1993) and a Doctor degree of Philosophy in Mathematics (1996) from the California Institute of Technology, and a Master degree of Science in Investment Management (1999) from the Hong Kong University of Science and Technology.

Dr. Leung is also an independent non-executive director of Daisho Microline Holdings Limited (stock code: 567) from 30 April 2021. He was also an independent non-executive director of Fresh Express Delivery Holdings Group Co., Ltd. (In Liquidation) (formerly known as FU JI Food and Catering Services Holdings Limited) (delisted with previous stock code: 1175, the listing of its shares was cancelled with effect from 9:00 am on 9 February 2023) from 8 July 2013 to 13 December 2021.

Save as disclosed above, Dr. Leung does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Dr. Leung does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

For the year ended 31 March 2023, Dr. Leung was entitled to receive an annual director's fee of HK\$180,000 from the Company. Such remuneration is determined by the Board with reference to Dr. Leung's experiences, scope of duties and responsibilities.

Save as disclosed above, there is no information relating to the re-election of Dr. Leung, as an independent non-executive Director that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of Dr. Leung.

PROPOSED INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Wong Siu Hung, Patrick

Mr. Patrick Wong, aged 67, has more than 40 years of working experience in banking, finance, commodity trading and project development. Mr. Patrick Wong holds a Master's degree in Applied Finance from Macquarie University, Australia and an Executive Diploma in Management Consulting from The Hong Kong Polytechnic University.

Mr. Patrick Wong was the senior vice president of Commodity and Trade Finance at Societe Generale Singapore and the chief executive officer in the China Division of Louis Dreyfus Group, a global commodity trading firm. Mr. Patrick Wong is an associate member of Chartered Institute of Bankers, United Kingdom (now renamed as The London Institute of Banking & Finance), a fellow member of the Hong Kong Institute of Directors and a member of The Institute of Management Consultants Hong Kong and a Certified Management Consultant.

Mr. Patrick Wong currently is an executive director of Daisho Microline Holdings Limited (Stock Code: 567) since 3 September 2020 and a non-executive Director of Huscoke Holdings Limited (Stock Code: 704) since 9 April 2018.

Mr. Patrick Wong was appointed as an executive director of FDG Kinetic Limited (In Liquidation) (delisted with previous Stock Code: 378, the listing of its shares was cancelled with effect from 9:00 am on 20 February 2023.) between 30 April 2021 and 20 February 2023. A winding up order pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) was made by the High Court of Hong Kong Special Administrative Region against FDG Kinetic Limited on 6 September 2021. Mr. Patrick Wong was also an independent non-executive director of Crown International Corporation Limited (Stock Code: 727) between 3 March 2021 and 31 March 2022, and an executive director of Winto Group (Holdings) Limited (Stock Code: 8238) between 15 April 2019 and 6 November 2019.

Save as disclosed above, Mr. Patrick Wong does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Mr. Patrick Wong does not have any relationship with other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Patrick Wong will enter into a letter of appointment with the Company commencing from the date when the resolution for this appointment is passed by the Shareholders with no fixed term of service and may be terminated by either party by a 1 month's advance written notice. He is subject to retirement from office by rotation and re-election at annual general meeting in accordance with the Bye-laws. The total amount of his emolument for the year ending 31 March 2024 will be HK\$92,500. Such remuneration is determined by the Board following the recommendation from the Remuneration Committee and with reference to Mr. Patrick Wong's experiences, scope of duties and responsibilities.

Save as disclosed in this circular, there is no information relating to the election of Mr. Patrick Wong, as an independent non-executive Director that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of Mr. Patrick Wong.

This appendix serves as the explanatory statement to provide requisite information to the Shareholders for their consideration of the Buy-backs Mandate to be granted to the Directors as required under Rule 10.06 of the Listing Rules.

BUY-BACK OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to buy-back their own shares on the Stock Exchange subject to certain restrictions and obtaining prior Shareholders' approval. The Listing Rules, however, prohibit a company from knowingly purchasing securities on the Stock Exchange from a core connected person and a core connected person is prohibited from knowingly selling his securities to the Company.

SHARE CAPITAL

As at the Latest Practicable Date, the authorized share capital of the Company was 10,000,000,000 Shares, of which a total of 6,545,621,131 Shares were allotted, issued and fully paid or credited as fully paid. Subject to the passing of the ordinary resolution to approve the Buy-backs Mandate at the AGM and on the basis that no further Shares are issued or bought-back between the Latest Practicable Date and the date of the AGM, the Company would be allowed to buy-back up to a maximum of 654,562,113 Shares, representing 10% of the total issued Shares as at the date of the AGM.

REASONS FOR THE BUY-BACK

Although the Directors have no present intention to buy-back any Share, the Directors believe that the Buy-backs Mandate is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to buy-back the Shares on the market. An exercise of the Buy-backs Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that a buy-back will benefit the Company and the Shareholders as a whole.

FUNDING OF THE BUY-BACK

The buy-back of Shares shall be made out of funds legally available under the laws of Bermuda, Hong Kong and the Bye-laws for such purpose. Under Bermuda law, any buy-back may only be effected out of the capital paid up on the buy-back Shares or out of the funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a buy-back over the par value of the Shares to be bought-back must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the share premium account before the Shares are bought-back. It is envisaged that the funds required for any buy-back would be derived from such sources.

As compared to the financial position of the Company as at 31 March 2023 (being the date of the Company's latest audited accounts), an exercise of the Buy-backs Mandate in full may have a material adverse impact on the working capital and gearing position of the Company. The Directors do not, however, intend to make any buy-back in circumstances that would have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 calendar months preceding the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
August	0.530	0.470
September	0.510	0.395
October	0.465	0.370
November	0.435	0.345
December	0.380	0.310
2023		
January	0.325	0.053
February	0.120	0.085
March	0.099	0.069
April	0.095	0.077
May	0.094	0.077
June	0.116	0.075
July	0.091	0.081
August*	0.090	0.060

* up to and including the Latest Practicable Date

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently has any present intention to sell any Share to the Company or its subsidiaries in the event that the Buy-backs Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to buy-back Shares pursuant to the Buy-backs Mandate in accordance with the Listing Rules and the applicable laws of Bermuda and Hong Kong.

No core connected person of the Company has notified the Company that he/it has a present intention to sell any Share to the Company, nor has any such core connected person undertaken not to sell any Share held by him/it to the Company in the event that the Buy-backs Mandate is approved by the Shareholders.

HONG KONG CODE ON TAKEOVERS AND MERGERS AND SHARE BUY-BACKS

If on the exercise of the power to buy-back Shares pursuant to the Buy-backs Mandate, a Shareholder's proportionate interest in the voting rights of the Company increase, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

So far as the Company is aware, the substantial shareholder of the Company as at the Latest Practicable Date and in the event that the Buy-backs Mandate is exercised in full is as follows:

	As at the Latest Practicable Date		Assuming the Buy-backs Mandate is exercised in full	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Wang (<i>Note</i>)	4,238,827,528	64.76%	4,238,827,528	71.95%

Note: Mr. Wang was deemed interested in, and duplicated, the 50,017,949 Shares which Champion Golden Limited was interested, the 3,602,323,177 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.

Accordingly, in the event that the Directors exercise in full of the power to buy-back Shares under the Buy-backs Mandate, it will not give rise to an obligation on Mr. Wang and parties acting in concert with him to make a mandatory offer under Rule 26 of the Takeovers Code.

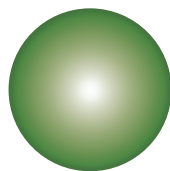
The Directors have no present intention to exercise the power to buy-back Shares to the extent that will give rise to an obligation on any party to make a mandatory offer under Rule 26 of the Takeovers Code.

The Company will not exercise the power to buy-back Shares which would result in the amount of Shares held in public being reduced to less than 25%.

SHARE BUY-BACK MADE BY THE COMPANY

The Company had not bought-back any of the Shares (whether on the Stock Exchange or otherwise) during the six calendar months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of Yuan Heng Gas Holdings Limited (the “**Company**”) will be held at Meeting Room 1&2, 22/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 26 September 2023 at 11:00 a.m. for the following purpose:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and the auditor of the Company for the year ended 31 March 2023;
2.
 - (a) To re-elect Mr. Wang Jianqing as an executive director of the Company;
 - (b) To re-elect Dr. Leung Hoi Ming as an independent non-executive director of the Company;
 - (c) To elect Mr. Wong Siu Hung, Patrick as an independent non-executive director of the Company; and
 - (d) To authorise the board of directors of the Company (the “**Board**”) to fix remuneration of the directors of the Company (the “**Directors**”);
3. To re-appoint SHINEWING (HK) CPA LIMITED as the auditor of the Company and to authorise the Board to fix their remuneration;

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without amendments, as indicated below:

ORDINARY RESOLUTIONS

4. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue, grant and/or deal with additional share(s) in the capital of the Company (the “Shares”) or securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares or such convertible securities, subject to and in accordance with all applicable laws, the bye-laws of the Company and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to allot, issue, grant or deal with Shares, securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares or such convertible securities which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the number of Shares to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option, warrant or similar rights) and to be issued or granted by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined), or
 - (ii) an issue of Shares upon the exercise of the subscription rights or conversion rights attached to any warrants or convertible securities which may be issued by the Company from time to time, or
 - (iii) an issue of Shares under any share option scheme or similar arrangement for the time being adopted by the Company and/or any of its subsidiaries for the grant or issue of shares or rights to acquire Shares in the capital of the Company, or

NOTICE OF ANNUAL GENERAL MEETING

- (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company,

shall not exceed:

- (aa) 20 per cent. of the number of issued Shares on the date of the passing of this resolution; and
- (bb) (provided that resolutions nos. 5 and 6 are passed) the number of issued Shares bought-back by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of Shares in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and

“Rights Issue” means an offer of shares or other securities giving the right to subscribe for shares, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

5. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to buy-back issued Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to buy-back such shares are subject to and in accordance with all applicable laws, the bye-laws of the Company and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to buy-back its shares at a price determined by the Directors;
- (c) the number of issued Shares which may be bought-back by the Company pursuant to paragraphs (a) and (b) of this resolution during the Relevant Period shall not exceed 10% of the number of issued Shares as at the date of passing this resolution and the authority shall be limited accordingly; and
- (d) for the purpose of this resolution,

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** subject to the ordinary resolutions nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue, grant and/or deal with unissued Shares pursuant to resolution no. 4 above be and is hereby extended by the addition thereon of the number of issued Shares bought-back by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the number of the issued Shares on the date of the passing of resolution no. 6.”

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

Hong Kong, 25 August 2023

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business:

Room 4102, 41/F
Far East Finance Centre
16 Harcourt Road
Hong Kong

Notes:

- (1) Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
- (3) In the case of joint holders of a share if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

NOTICE OF ANNUAL GENERAL MEETING

- (4) In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or their authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) A member may appoint a proxy in respect of part only of his holding of shares in the Company. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual, or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
- (6) Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
- (7) Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll. Therefore, the Chairman of the meeting will demand that all resolutions will be voted by way of poll at the meeting.
- (8) The Register of Members of the Company will be closed from Thursday, 21 September 2023 to Tuesday, 26 September 2023 (both days inclusive) in order to determine the shareholders' entitlements to attend and vote at the AGM, during which no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 20 September 2023.
- (9) The AGM will be held on Tuesday, 26 September 2023 as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day. However, if Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect at any time after 9:30 a.m. and before the above meeting time, the AGM will be postponed. The Company will post an announcement at the HKExnews website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.yuanhenggas.com to notify shareholders of the date, time and place of the rescheduled meeting.