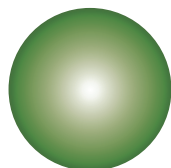


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元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED

元亨燃氣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

**ANNOUNCEMENT RELATING TO
THE SHARE TRANSACTION:
ACQUISITION OF 50% ISSUED CAPITAL OF
GUIZHOU GAS (GROUP) XISHUI JINQIAO GAS CO., LIMITED
INVOLVING THE ISSUE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE**

Reference is made to the announcement of the Yuan Heng Gas Holdings Limited (the “**Company**”) dated 30 November 2015 and 30 December 2016 (the “**Announcements**”) in relation to the acquisition of an aggregate 50% interests in the Target, Guizhou Gas (Group) Xishui Jinqiao Gas Co., Limited.

Unless otherwise defined, capitalised terms used in this announcement have the same meanings as defined in the Announcements.

As stated in the announcement dated 30 December 2016, the specified time set out in the Agreement (as previously revised) for fulfilment of the conditions precedent and the respective time limits for making the fourth stage payment has been further extended to 31 December 2017.

In view of the further extension of the specified time for fulfilment of the conditions precedent of the Acquisition, the Consideration Shares will be issued by the Company utilising the existing general mandate granted to the Directors by the Shareholders at the annual general meeting held on 23 September 2016 (“**2016 General Mandate**”), among other things, to allot, issue and deal with up to 20% (being 1,136,727,049 Shares) of the then issued share capital of the Company as at the date of the annual general meeting (being 5,683,635,248 Shares).

Up to the date of this announcement, no new Shares have been issued under the General Mandate and 34,102,724 Shares under the 2016 General Mandate has been earmarked for the allotment and issue of the Consideration Shares for the Acquisition. When the Consideration Shares are issued and allotted to Seller B, it will utilise approximately 3.0001% of the 2016 General Mandate. Thereafter there will be 1,102,624,325 Shares remaining available for use under the 2016 General Mandate.

A total of 34,102,724 Consideration Shares will be issued to Seller B at HK\$0.60 each and in accordance with the terms of the Agreement and represent:

- (a) a discount of about 3.23% to the closing price of HK\$0.62 per Share as quoted on the Stock Exchange on 29 December 2016; and
- (b) a discount of about 7.41% to the average closing price of HK\$0.648 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 29 December 2016.

The 34,102,724 Consideration Shares represent about 0.600% of the existing issued share capital of the Company (i.e. 5,683,635,248 Shares) as at the date of this announcement and the conversion of RMB16,400,000 into HKD20,461,634.40 and is calculated based on the exchange rate of RMB0.8015 to HKD1; and about 0.596% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. There is no restriction against Seller B to deal with the Consideration Share upon allotment and issue to it.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

For and on behalf of the Board
Yuan Heng Gas Holdings Limited
Wan Oi Ming Kevin
Company Secretary

Hong Kong, 9 January 2017

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.