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AAG

AAG Energy Holdings Limited

亞美能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2686)

**(1) APPOINTMENT AND RESIGNATION OF DIRECTORS;
(2) RESIGNATION OF JOINT COMPANY SECRETARY AND
CHANGE OF AUTHORISED REPRESENTATIVES;
AND
(3) CHANGE OF COMPOSITION OF BOARD COMMITTEES**

The board of directors (the “**Board**”, each a “**Director**”) of AAG Energy Holdings Limited (the “**Company**”) hereby announces the following change of composition of the Board and the Board committees, resignation of joint company secretary of the Company and change of Authorised Representatives (as defined below):

- (i) Dr. Stephen Xiangdong Zou has resigned as chairman of the Board and chairman of the nomination committee of the Company but will remain as an executive Director of the Company;
- (ii) Mr. Ming Zaiyuan has been appointed as an executive Director of the Company, chairman of the Board, and chairman of the nomination committee of the Company;
- (iii) Mr. Yan Danhua has been appointed as an executive Director of the Company;
- (iv) Mr. Zhang Jianbing has been appointed as an executive Director of the Company and the Authorised Representative (as defined below);
- (v) Mr. Tai Kwok Leung Alexander has been appointed as an independent non-executive Director of the Company and a member of each of the remuneration committee and audit committee of the Company;
- (vi) Dr. Liu Xiaofeng has been appointed as an independent non-executive Director of the Company and a member of each of the remuneration committee, nomination committee and audit committee of the Company;

- (vii) Mr. Peter Randall Kagan has resigned as a non-executive Director of the Company;
- (viii) Mr. Zhen Wei has resigned as a non-executive Director of the Company;
- (ix) Mr. Gordon Sun Kan Shaw has resigned as a non-executive Director of the Company and the Authorised Representative (as defined below) and ceased to be a member of the audit committee of the Company;
- (x) Mr. Wu Yaowen has resigned as an independent non-executive Director of the Company and ceased to be a member of the nomination committee and new business committee of the Company;
- (xi) Ms. Lai Siu Kuen has resigned as the joint company secretary of the Company and the Authorised Representative (as defined below); and
- (xii) Ms. Lin Yang has been appointed as the Authorised Representative (as defined below).

The Board is pleased to announce the following board composition changes, details of which are as follows:

CHANGE OF CHAIRMAN OF THE BOARD AND CHAIRMAN OF NOMINATION COMMITTEE OF THE COMPANY

Dr. Stephen Xiangdong Zou has resigned as chairman of the Board and chairman of the nomination committee of the Company but will remain as an executive Director of the Company.

APPOINTMENTS OF DIRECTORS

Mr. Ming Zaiyuan (明再遠) (“**Mr. Ming**”), Mr. Yan Danhua (嚴丹華) (“**Mr. Yan**”), Mr. Zhang Jianbing (張艦兵) (“**Mr. Zhang**”), Mr. Tai Kwok Leung Alexander (戴國良) (“**Mr. Tai**”) and Dr. Liu Xiaofeng (劉曉峰) (“**Dr. Liu**”) have been appointed as Directors of the Company with effect from 24 August 2018 and the details are set out below:

- (i) Mr. Ming has been appointed as an executive Director, chairman of the Board and chairman of the nomination committee of the Company.

Mr. Ming, aged 54, has since January 2013 been chairman of the board of Xinjiang Xintai Natural Gas Co., Ltd. (新疆鑫泰天然氣股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603393). From June 2010 to December 2012, Mr. Ming was a director of Xinjiang Xintai Natural Gas Co., Ltd. (formerly known as Xinjiang Xintai Investment (Group) Co., Ltd. (新疆鑫泰投資(集團)有限公司). From March 1985 to May 1998, Mr. Ming served as the head of the supervision and audit department, the head of the personnel department, the chief audit officer and the vice president of the Agricultural Bank of China Limited (Deyang Central District Branch) (中國農業銀行(德陽市中區支行)), and as the director and the secretary of the party committee of the credit cooperative union, respectively. The Sichuan Deyang Intermediate People’s Court found on 14 June 1999 that Mr. Ming, taking the

responsibility as a leader, was in breach of the PRC General Rules for Loans and the relevant rules in relation to loan management by granting certain loans in the amount of approximately RMB22,000,000 while he was working as the director of the credit cooperative union. Mr. Ming was fined for RMB80,000 and sentenced to five years' imprisonment for this breach on the basis that he had granted such loans in reliance on certain documents provided by the borrowers which were subsequently found to be forged documents. As a result of his good conduct while serving his sentence, Mr. Ming was released on parole in March 2001 and the parole is terminated in June 2003.

Mr. Ming graduated from the correspondence college of Party College of Sichuan Province Committee of C.P.C. (中央四川省委黨校函授學院) in 1987, majoring in law.

Mr. Ming will enter into a service contract with the Company in relation to his appointment as an executive Director of the Company for a term of 3 years. His appointment shall be subject to retirement by rotation and re-election in accordance with the articles of association of the Company (the “**Articles of Association**”). The annual remuneration of Mr. Ming will be determined with reference to the duties and responsibilities of Mr. Ming with the Company, the Company's performance and the prevailing market condition, subject to the approval of the Company's remuneration committee.

Mr. Ming is a controlling shareholder of Xinjiang Xintai Natural Gas Co., Ltd. (新疆鑫泰天然氣股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603393), which is the controlling shareholder of the Company. As at the date of this announcement, Mr. Ming holds 1,692,871,886 ordinary shares of the Company through Xinjiang Xintai Natural Gas Co., Ltd., in aggregate representing approximately 50.4% of the issued ordinary shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Saved as disclosed above, Mr. Ming does not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the date of this announcement or any other position within the Company, nor does he have any relationship with any directors or senior management or substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and there are no other matters relating to the appointment of Mr. Ming that need to be brought to the attention of the shareholders of the Company.

(ii) Mr. Yan has been appointed as an executive Director of the Company.

Mr. Yan, aged 50, has more than 10 years of strategic investment and operation management experience in the energy industry. He was responsible for managing the energy investment project in China AVIC Trust Co., Ltd. (中航信託股份有限公司) from 2016 to 2018. In 2015, Mr. Yan was the vice general manager of Guangzheng Group Co., Ltd. (光正集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002524), and was responsible for the business of natural gas

and new energy development. From 2007 to 2013, he worked as the office director of balanced scorecard department for Xinjiang Guanghui Industry Investment Group Co., Ltd. (新疆廣匯實業投資(集團)有限責任公司) and as the vice general manager for Guanghui Energy Co., Ltd. (廣匯能源股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600256), respectively. In Guanghui Energy Co., Ltd., he was responsible for strategic planning, operations management, natural gas project management and the development of conventional gas and oil. From 1999 to 2006, Mr. Yan worked as the general manager at the department of fruit business of Xinjiang Tunhe Co., Ltd. (新疆屯河股份有限公司) (currently known as COFCO Tunhe Co., Ltd. (中糧屯河糖業股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600737)).

Mr. Yan has obtained the bachelor's degree in economics in Shanxi Institute of Finance and Economics (陝西財經學院) in 1990.

Mr. Yan will enter into a service contract with the Company in relation to his appointment as an executive Director of the Company for a term of 3 years. His appointment shall be subject to retirement by rotation and re-election in accordance with the Articles of Association. The annual remuneration of Mr. Yan will be determined with reference to the duties and responsibilities of Mr. Yan with the Company, the Company's performance and the prevailing market condition, subject to the approval of the Company's remuneration committee.

As at the date of this announcement, Mr. Yan does not have any interest in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) nor have any relationship with any directors or senior management or substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to the appointment of Mr. Yan that need to be brought to the attention of the shareholders of the Company.

(iii) Mr. Zhang has been appointed as an executive Director of the Company.

Mr. Zhang, aged 54, has worked in government departments and enterprises for over 35 years. Mr. Zhang has management experience in industrial economy, finance, safety production management and other perspectives. Since April 2015, Mr. Zhang has worked as the director of the general manager's office of Xinjiang Xintai Natural Gas Co., Ltd., the general manager of Fukang Xintai Gas Co., Ltd. (阜康市鑫泰燃氣有限責任公司), the head of investment management department and the general manager's assistant of Xinjiang Xintai Natural Gas Co., Ltd., respectively. From 2010 to 2015, Mr. Zhang served as the deputy director of Deyang Municipal Committee of Economic and Information Technology (德陽市經信委). From 2006 to 2010, he was the director of Deyang Information & Technology Office (德陽市信息化辦公室). From 1999 to 2006, Mr. Zhang worked in Deyang Municipal Government Office (德陽市政府辦) as the deputy chief of the administrative department and the deputy director of the supervision

and inspection office. From 1990 to 1999, Mr. Zhang served as a deputy chief of the industrial transport department in Deyang Economic Restructuring Committee (德陽市經濟體制改革委員會).

Mr. Zhang graduated from the correspondence college of Party College of Sichuan Province Committee of C.P.C. (中央四川省委黨校函授學院) in 2000, majoring in law. Mr. Zhang has obtained the Certificate of Secretary from the Shanghai Stock Exchange in 2018.

Mr. Zhang will enter into a service contract with the Company in relation to his appointment as an executive Director of the Company for a term of 3 years. His appointment shall be subject to retirement by rotation and re-election in accordance with the Articles of Association. The annual remuneration of Mr. Zhang will be determined with reference to the duties and responsibilities of Mr. Zhang with the Company, the Company's performance and the prevailing market condition, subject to the approval of the Company's remuneration committee.

As at the date of this announcement, Mr. Zhang does not have any interest in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) nor have any relationship with any directors or senior management or substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to the appointment of Mr. Zhang that need to be brought to the attention of the shareholders of the Company.

(iv) Mr. Tai has been appointed as an independent non-executive Director of the Company.

Mr. Tai, aged 60 is currently a partner and officer in charge of corporate finance department of VMS Securities Limited. Mr. Tai currently also serves as an independent non-executive director of Luk Fook Holdings (International) Limited (Stock Code:590), Anhui Conch Cement Company Limited (Stock Code: 914), Jiayuan International Group Limited (Stock Code: 2768) and G&M Holdings Limited (Stock Code: 6038) and Shengjing Bank Co., Ltd. (Stock Code:2066), all of which are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Mr. Tai was elected as a member of the 12th session of Shandong Committee of Chinese People's Political Consultative Conference in January 2018.

Mr. Tai is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and New Zealand Institute of Chartered Accountants. He has extensive experience in accounting, corporate finance and investment in Hong Kong and overseas. Mr. Tai received a bachelor degree in commerce and administration from Victoria University of Wellington, New Zealand in 1982.

Mr. Tai will enter into a service contract with the Company in relation to his appointment as an independent non-executive Director of the Company for a term of 3 years. His appointment shall be subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Tai will be entitled to an annual

remuneration of HK\$350,000. Mr. Tai's remuneration was determined with reference to the duties and responsibilities of Mr. Tai with the Company, the Company's performance and the prevailing market condition.

As at the date of this announcement, Mr. Tai does not have any interest in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) nor have any relationship with any directors or senior management or substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to the appointment of Mr. Tai that need to be brought to the attention of the shareholders of the Company.

- (v) Dr. Liu has been appointed as an independent non-executive Director of the Company.

Dr. Liu, aged 56, currently serves as an independent non-executive director of Kunlun Energy Company Limited (Stock Code: 135) since 2004, Honghua Group Limited (Stock Code: 196) since 2008, Cinda International Holdings Limited (Stock Code: 111) since 2016, and Sunfonda Group Holdings Limited (Stock Code: 1771) since 2017, all of which are companies listed on the Main Board of the Stock Exchange. He was also an independent non-executive director of Haier Electronics Group Co., Ltd., a company listed on the Main Board of the Stock Exchange (Stock Code: 1169) and an independent non-executive director of Hisense Kelon Electrical Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 00921). Dr. Liu is also the independent director of the board of a non-listed company which is UBS Securities Company Limited.

Dr. Liu has more than 20 years of experience in corporate finance. He has served in a number of international financial institutions since 1993, such as N.M. Rothschild & Sons Limited, J.P. Morgan Securities (Asia Pacific) Limited, N.M. Rothschild & Sons (HK) Limited, DBS Asia Capital Limited and China Resources Capital Holdings Company Limited.

Dr. Liu obtained a master's degree and a Ph. D from the Faculty of Economics, University of Cambridge in 1988 and 1994, respectively. He obtained his master's degree in development studies from the University of Bath in 1987, and he obtained his bachelor's degree in political economics from the Southwestern University of Finance and Economics (西南財經大學) (formerly known as Sichuan Economic College (四川財經學院)) in 1983.

Dr. Liu will enter into a service contract with the Company in relation to his appointment as an independent non-executive Director of the Company for a term of 3 years. His appointment shall be subject to retirement by rotation and re-election in accordance with the Articles of Association. Dr. Liu will be entitled to an annual remuneration of HK\$350,000. Dr. Liu's remuneration was determined with reference to the duties and responsibilities of Dr. Liu with the Company, the Company's performance and the prevailing market condition.

As at the date of this announcement, Dr. Liu does not have any interest in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) nor have any relationship with any directors or senior management or substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to the appointment of Dr. Liu that need to be brought to the attention of the shareholders of the Company.

The Board would like to welcome Mr. Ming, Mr. Yan, Mr. Zhang, Mr. Tai and Dr. Liu for joining as new members of the Board.

RESIGNATION OF DIRECTORS

Mr. Peter Randall Kagan (“**Mr. Kagan**”) has resigned as a non-executive Director of the Company with effect from 25 August 2018 due to his other work commitments.

Mr. Kagan has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

Mr. Zhen Wei (“**Mr. Wei**”) has resigned as a non-executive Director of the Company with effect from 25 August 2018 due to his other work commitments.

Mr. Wei has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

Mr. Gordon Sun Kan Shaw (“**Mr. Shaw**”) has resigned as a non-executive Director of the Company and a member of the audit committee of the Company with effect from 25 August 2018 due to his other work commitments. As he has resigned as a non-executive Director of the Company, he has also resigned as authorised representative (the “**Authorised Representative**”) of the Company under Rule 3.05 of the Listing Rules with effect from 25 August 2018.

Mr. Shaw has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

Mr. Wu Yaowen (“**Mr. Wu**”) has resigned as an independent non-executive Director of the Company and a member of the nomination committee of the Company with effect from 24 August 2018 due to health issues.

Mr. Wu has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its gratitude to Mr. Kagan, Mr. Wei, Mr. Shaw and Mr. Wu for their valuable efforts and contributions to the Company during their tenure of office.

RESIGNATION OF JOINT COMPANY SECRETARY AND CHANGE OF AUTHORISED REPRESENTATIVES

Ms. Lai Siu Kuen (“**Ms. Lai**”) has resigned as the joint company secretary of the Company and the Authorised Representative with effect from 24 August 2018. Following the resignation of Ms. Lai, Ms. Lin Yang (“**Ms. Lin**”) will act as the sole company secretary of the Company and was appointed as the Authorised Representative with effect from 24 August 2018.

Ms. Lai has confirmed that she has no disagreement with the Board and there is no matter relating to her resignation which needs to be brought to the attention of the shareholders of the Company.

At the time of Ms. Lin’s appointment as a joint company secretary of the Company in February 2008, Ms. Lin did not possess the requisite qualifications under Rule 3.28 of the Listing Rules. The Company applied for and the Stock Exchange granted to the Company a waiver from strict compliance with Rule 3.28 of the Listing Rules for a period of three years from the date of appointment of Ms. Lin, on the condition that, among other things, the Company engaged Ms. Lai, who possessed the requisite qualifications under Rule 3.28 of the Listing Rules, as a joint company secretary of the Company, to assist Ms. Lin in the discharge of her duties as a joint company secretary and in acquiring the relevant experience as required under Rule 3.28 of the Listing Rules.

Since Ms. Lin’s appointment as a joint company secretary of the Company, Ms. Lin has discharged her duties as a joint company secretary of the Company with the assistance of Ms. Lai and has acquired the relevant experience required under Rule 3.28 of the Listing Rules during the waiver period. The Company applied for and the Stock Exchange approved on 29 June 2018 agreeing that Ms. Lin is qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rules.

Mr. Shaw has resigned as Authorised Representative with effect from 25 August 2018 and Mr. Zhang has been appointed as Authorised Representative to replace Mr. Shaw with effect from 25 August 2018.

The Board would like to express its gratitude to Ms. Lai for her valuable efforts and contributions to the Company during her tenure of service as a joint company secretary.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

With effect from 24 August 2018, Dr. Stephen Xiangdong Zou ceased to be chairman of the Board and chairman of the nomination committee of the Company, and Mr. Wu ceased to be a member of the nomination committee and new business committee of the Company.

With effect from 25 August 2018, Mr. Shaw ceased to be a member of the audit committee of the Company.

With effect from 24 August 2018, Mr. Ming has been appointed as chairman of the Board and chairman of the nomination committee of the Company, and Mr. Tai has been appointed as a member of each of the remuneration committee and audit committee of the Company and Dr. Liu has been appointed as a member of each of the remuneration committee, nomination committee and audit committee of the Company.

By order of the Board
AAG Energy Holdings Limited
Ming Zaiyuan
Chairman and Executive Director

Hong Kong, 27 August 2018

As of the date of this announcement, the executive Director is Mr. Ming Zaiyuan, Mr. Yan Danhua, Mr. Zhang Jianbing and Dr. Stephen Xiangdong Zou; the non-executive Directors are Mr. Lei Jin, Dr. Guiyong Cui and Mr. Saurabh Narayan Agarwal; and the independent non-executive Directors are Mr. Tai Kwok Leung Alexander, Dr. Liu Xiaofeng, Mr. Robert Ralph Parks, Mr. Stephen Cheuk Kin Law and Mr. Fredrick J. Barrett.