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AAG

LIMING HOLDING LIMITED

香港利明控股有限公司

(Incorporated in Hong Kong with limited liability)

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)

JOINT ANNOUNCEMENT

**(1) PRE-CONDITIONAL PROPOSAL FOR THE PRIVATISATION OF
AAG ENERGY HOLDINGS LIMITED**

BY THE OFFEROR

**BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT)**

**(2) PROPOSED WITHDRAWAL OF LISTING
AND**

(3) RESUMPTION OF TRADING IN SHARES

Joint Financial Advisers to the Offeror



信達國際
CINDA INTERNATIONAL

**CINDA INTERNATIONAL
CAPITAL LIMITED**



華融國際融資有限公司
HUARONG INTERNATIONAL CAPITAL LIMITED

**HUARONG INTERNATIONAL
CAPITAL LIMITED**

Financial Adviser to the Company



中國銀河國際
CHINA GALAXY INTERNATIONAL

**CHINA GALAXY INTERNATIONAL SECURITIES
(HONG KONG) CO., LIMITED**

Independent Financial Adviser to the Independent Board Committee



SOMERLEY CAPITAL LIMITED

SOMERLEY CAPITAL LIMITED

INTRODUCTION

On 25 January 2023, the Offeror requested the Board to, subject to the satisfaction of the Pre-Condition, put forward the Proposal to the Scheme Shareholders which will involve the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act (i.e. the Scheme) involving cancellation and extinguishment of all the Scheme Shares and allotment and issue of new Shares to the Offeror.

As at the Last Trading Date, the Offeror held 56.95% of the total number of shares in issue of the Company.

Upon completion of the Scheme,

- (i) all Scheme Shares held by the Scheme Shareholders on the Effective Date will be cancelled and extinguished in exchange for the payment of the Scheme Consideration of HK\$1.85 in cash for each Scheme Share to be paid by the Offeror;
- (ii) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Immediately upon such Reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished;
- (iii) the Offeror will own 100% of the total number of shares in issue of the Company; and
- (iv) the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Effective Date pursuant to Rule 6.15 of the Listing Rules.

THE PROPOSAL

The Scheme

Under the Proposal, if the Scheme becomes unconditional, the Scheme Shareholders will receive from the Offeror the Scheme Consideration of HK\$1.85 in cash for each Scheme Share, as consideration for the cancellation and extinguishment of the Scheme Shares held as at the Effective Date.

The Scheme Consideration will not be increased, and the Offeror does not reserve the right to do so.

The Proposal is conditional upon the fulfillment or waiver, as applicable, of the Pre-Condition and the Conditions as described in the sections headed “The Proposal — Pre-Condition of the Proposal” and “The Proposal — Conditions of the Proposal” below. All Pre-Condition and Conditions will have to be fulfilled or waived, as applicable, on or before the Pre-Condition Long Stop Date and the Long Stop Date (as the case may be), failing which the Proposal will lapse.

Having reviewed the Proposal, the Board has resolved to put the Proposal forward to the Scheme Shareholders for their consideration. The Directors (excluding members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser) believe that the Proposal and the Scheme are fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL RESOURCES

On the assumption that no further Shares are issued before the Record Date, the maximum amount of cash required for the Proposal would be HK\$2,703,982,100.10.

The Offeror intends to finance the entire cash amount required to implement the Proposal using a combination of its internal cash resources and external debt financing.

Cinda and Huarong, as the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of consideration required to effect the Proposal.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Effective Date pursuant to Rule 6.15 of the Listing Rules.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Pre-Condition and the Conditions has not been fulfilled or waived, as applicable, on or before the Pre-Condition Long Stop Date and the Long Stop Date (as the case may be). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

SCHEME DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, a Scheme Document including, among other things, (i) further details of the Proposal (including the Scheme); (ii) the expected timetable relating to the Proposal; (iii) an explanatory memorandum as required under the Companies Act and the Grand Court Rules; (iv) the recommendation of the Independent Board Committee in respect of the Proposal (including the Scheme); (v) the letter of advice from the Independent Financial Adviser; and (vi) notices of the Court Meeting and the EGM will be despatched to the Shareholders within 21 days of the date of this joint announcement, being on or before 10 March 2023 and in compliance with the requirements of the Takeovers Code, the Companies Act and applicable laws and regulations.

INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee should comprise all non-executive Directors who have no direct or indirect interest in the Proposal. Mr. Huang Min, a non-executive Director, is also a director of the Offeror. Accordingly, he is regarded as being interested in the Proposal for the purpose of Rule 2.8 of the Takeovers Code and is not a member of the Independent Board Committee.

The Independent Board Committee, which comprises all independent non-executive Directors, namely Mr. Tai Kwok Leung Alexander, Dr. Liu Xiaofeng and Dr. Yang Ruizhao, has been established by the Board to advise the Disinterested Scheme Shareholders on the Proposal and as to voting. The recommendation of the Independent Board Committee as to whether the Proposal is or is not fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Court Meeting and the EGM, will be set out in the Scheme Document.

Somerley Capital Limited has been appointed by the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee on the Proposal and as to voting. The letter of advice from the Independent Financial Adviser as to whether the Proposal is or is not fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Court Meeting and the EGM, will be set out in the Scheme Document.

TRADING HALT AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 26 January 2023, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 February 2023.

WARNING

Shareholders and potential investors of the Company should note that the Pre-Condition must be satisfied before the Proposal will be implemented. The implementation of the Proposal is therefore a possibility only and all references to the Proposal in this joint announcement are reference to the possible Proposal which will be implemented if and only if the Pre-Condition is satisfied. Further, Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance or rejection of the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Details in relation to overseas Shareholders will be contained in the Scheme Document.

INTRODUCTION

On 25 January 2023, the Offeror requested the Board to, subject to the satisfaction of the Pre-Condition, put forward the Proposal to the Scheme Shareholders which will involve the proposed privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act (i.e. the Scheme) involving cancellation and extinguishment of all the Scheme Shares and allotment and issue of new Shares to the Offeror.

As at the Last Trading Date, the Offeror held 56.95% of the total number of shares in issue of the Company.

Upon completion of the Scheme,

- (i) all Scheme Shares held by the Scheme Shareholders on the Effective Date will be cancelled and extinguished in exchange for the payment of the Scheme Consideration of HK\$1.85 in cash for each Scheme Share to be paid by the Offeror;
- (ii) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Immediately upon such Reduction, the issued share capital of the Company will be increased to its former amount by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished;
- (iii) the Offeror will own 100% of the total number of shares in issue of the Company; and
- (iv) the Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Effective Date pursuant to Rule 6.15 of the Listing Rules.

THE PROPOSAL

The Scheme

The Scheme Consideration

Under the Proposal, if the Scheme becomes unconditional, the Scheme Shareholders will receive from the Offeror the Scheme Consideration of HK\$1.85 in cash for each Scheme Share, as consideration for the cancellation and extinguishment of the Scheme Shares held as at the Effective Date.

As at the date of this joint announcement, save for the 3,395,316,832 Shares in issue, there were no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company. The Company does not have any outstanding dividends declared and has no intention to declare any dividend prior to completion of the Proposal.

Comparisons of value

The Scheme Consideration of HK\$1.85 per Scheme Share represents:

- a premium of approximately 10.1% over the closing price of HK\$1.68 per Share as quoted on the Stock Exchange on the Last Trading Date;
- a premium of approximately 10.1% over the average closing price of HK\$1.68 per Share based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including the Last Trading Date;
- a premium of approximately 10.8% over the average closing price of HK\$1.67 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Date;
- a premium of approximately 24.2% over the average closing price of HK\$1.49 per Share based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including the Last Trading Date;
- a premium of approximately 25.9% over the average closing price of HK\$1.47 per Share based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Last Trading Date;
- a discount of approximately 15.1% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$2.18 per Share as at 31 December 2021 (based on the audited consolidated equity attributable to the Shareholders of approximately RMB6,425.5 million (equivalent to approximately HK\$7,389.3 million) as at 31 December 2021 and 3,395,316,832 Shares in issue as at the date of this joint announcement); and

- a discount of approximately 21.3% to the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$2.35 per Share as at 30 June 2022 (based on the unaudited consolidated equity attributable to the Shareholders of approximately RMB6,938.3 million (equivalent to approximately HK\$7,979.1 million) as at 30 June 2022 and 3,395,316,832 Shares in issue as at the date of this joint announcement).

The Scheme Consideration has been determined on an arm's length commercial basis after taking into account the prices of the Shares traded on the Stock Exchange, the financial information of the Group and with reference to other similar privatisation transactions in Hong Kong in recent years.

No price increase statement

The Scheme Consideration will not be increased, and the Offeror does not reserve the right to do so.

Highest and lowest prices

During the six-month period preceding the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.81 on 23 December 2022, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.19 on 31 October 2022.

Total consideration

As at the date of this joint announcement, the Company has 3,395,316,832 Shares in issue. The 1,461,611,946 Scheme Shares represent 43.05% of the total number of shares in issue of the Company.

On the assumption that no further Shares are issued before the Record Date, the maximum amount of cash required for the Proposal would be HK\$2,703,982,100.10.

Confirmation of financial resources

The Offeror intends to finance the entire cash amount required to implement the Proposal using a combination of its internal cash resources and external debt financing.

Cinda and Huarong, as the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of consideration required to effect the Proposal.

Pre-Condition of the Proposal

The making of the Proposal (including the Scheme) will be subject to the approval by the shareholders of Xinjiang Xintai, in accordance with the articles of association of Xinjiang Xintai.

The Pre-Condition cannot be waived by the Offeror. The Offeror and the Company will issue a further announcement as soon as possible after the Pre-Condition has been satisfied. If the Pre-Condition is not satisfied on or before the Pre-Condition Long Stop Date, the Proposal will not be implemented, and the Shareholders will be notified by a further announcement as soon as practicable thereafter.

Conditions of the Proposal

The Proposal (including the Scheme) will become effective and binding on the Company and all Scheme Shareholders subject to the fulfillment or waiver (as applicable) of the following Conditions:

- (i) the approval of the Scheme (by way of poll) at the Court Meeting by the Disinterested Scheme Shareholders representing not less than 75% in value of the Disinterested Shares present and voting either in person or by proxy at the Court Meeting in accordance with the requirements of Section 86 of the Companies Act as at the date of the Court Meeting, provided that:
 - (a) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting; and
 - (b) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Disinterested Scheme Shareholders;
- (ii) the passing of:
 - (a) a special resolution by a majority of at least two-thirds of the votes cast by the Shareholders present and voting (either in person or by proxy) at the EGM to approve and give effect to the Reduction on the Effective Date by cancelling and extinguishing the Scheme Shares; and
 - (b) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting (either in person or by proxy) at the EGM immediately thereafter to simultaneously restore the number of issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid Reduction to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme for allotment and issue to the Offeror;
- (iii) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, its confirmation of the Reduction, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court and the minutes approved by the Grand Court in respect of the Reduction for registration;

- (iv) the compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 14 to 17 of the Companies Act in relation to the Reduction;
- (v) all Authorisations (if any) in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (vi) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms);
- (vii) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms;
- (viii) the implementation of the Proposal not resulting in, and no event or circumstance having occurred or arisen which would or might be expected to result in:
 - (a) any indebtedness (actual or contingent) of any member of the Group being or becoming repayable (or capable of being declared repayable) immediately or prior to its stated maturity or repayment date;
 - (b) any agreement, arrangement, licence, permit or instrument to which any member of the Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject (or any of the rights, liabilities, obligations or interests of any member of the Group thereunder) being terminated or adversely modified (or any material obligation or liability on the part of any member of the Group arising in relation thereto); or
 - (c) the creation or enforcement of any security interest over the whole or any part of the business, property or assets of any member of the Group or any such security (whenever arising) becoming enforceable,in each case, which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms; and
- (ix) since the date of this joint announcement:
 - (a) there having been no adverse change in the business, assets, financial or trading, positions, profits or prospects of any member of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal; and

- (b) there not having been instituted, threatened in writing or remaining outstanding any litigation, arbitration, other proceedings or other dispute resolution process to which any such member is a party (whether as plaintiff, defendant or otherwise) and no investigation by any government, quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, instituted or remaining outstanding, in each case, which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms.

The Offeror reserves the right to waive all or any of the above Conditions, either in whole or in respect of any particular matter, except for Conditions in paragraphs (i) to (iv). The Company does not have the right to waive any of the above Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse.

If the Proposal is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn and it is the intention of the Board to continue adhering to its existing business focus and strategies in such.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the above Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

With reference to the Condition in paragraph (v), as at the date of this joint announcement, the Offeror is not aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (i) to (iv). With reference to the Condition in paragraph (vi), as at the date of this joint announcement, the Offeror is not aware of any such action, proceeding, suit, investigation or enquiry, statute, regulation, demand or order. With reference to the Condition in paragraph (vi), if it is to be waived by the Offeror, such Condition shall only be waived to the extent that it would not make the implementation of the Proposal be illegal. With reference to the Condition in paragraph (vii), as at the date of this joint announcement, the Offeror is not aware of any such non-compliance or regulatory requirement other than those set out in the Conditions in paragraphs (i) to (iv). With reference to the Condition in paragraph (viii) and (ix) (b), as at the date of this joint announcement, the Offeror is not aware of any such event or circumstance.

If approved, the Proposal will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting.

The qualification of the Scheme Shareholders for entitlements to receive the Scheme Consideration under the Proposal will be determined on the Record Date. A detailed expected timetable will be included in the Scheme Document to be despatched to the Shareholders. Assuming that the above Conditions are satisfied or validly waived (as applicable) on or before the Long Stop Date, it is currently expected that the Scheme will become binding and effective on or around 17 April 2023.

Warning:

Shareholders and potential investors of the Company should note that the Pre-Condition must be satisfied before the Proposal will be implemented. The implementation of the Proposal is therefore a possibility only and all references to the Proposal in this joint announcement are reference to the possible Proposal which will be implemented if and only if the Pre-Condition is satisfied. Further, Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

ARRANGEMENTS MATERIAL TO THE PROPOSAL

As at the date of this joint announcement:

- (i) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Proposal;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror and/or the Offeror Concert Parties;
- (iii) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal;
- (iv) save as disclosed in the section headed “Shareholding structure of the Company” in this joint announcement, neither the Offeror nor any of the Offeror Concert Parties owned or had control or direction over any existing holding of voting rights and rights over the Shares;
- (v) neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal;
- (vi) there are no convertible securities, warrants or options in respect of voting rights and rights over the Shares held, controlled or directed by the Offeror and/or the Offeror Concert Parties; and
- (vii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or the Offeror Concert Parties has/have borrowed or lent.

None of the Offeror or the Offeror Concert Parties had dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the securities of the Company during the six-month period preceding the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

Save for Mr. Ming (whose interests are as set out in Note (2) in the shareholding table below), none of the Directors beneficially has any interests in the Shares. On the assumption that there is no other change in the shareholding structure of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon completion of the Proposal:

Shareholders	As at the date of this joint announcement		Immediately upon completion of the Proposal (Note 1)	
	Number of Shares	%	Number of Shares	%
Offeror (Note 2)	1,933,704,886	56.95	3,395,316,832	100.0
Offeror Concert Parties:				
Ms. Zuo Na (Note 3)	<u>2,024,000</u>	<u>0.06</u>	<u>—</u>	<u>—</u>
Subtotal	1,935,728,886	57.01	3,395,316,832	100.0
Disinterested Scheme Shareholders	<u>1,459,587,946</u>	<u>42.99</u>	<u>—</u>	<u>—</u>
Total number of Shares	<u><u>3,395,316,832</u></u>	<u><u>100.0</u></u>	<u><u>3,395,316,832</u></u>	<u><u>100.0</u></u>

Notes:

- Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. On the assumption that there is no other change in the shareholding structure of the Company before completion of the Proposal, forthwith upon such Reduction, the issued share capital of the Company will be increased to its former amount prior to the cancellation and extinguishment of the Scheme Shares by the issue to the Offeror, credited as fully paid, of the same number of new Shares as the number of the Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the Reduction will be applied in paying up in full the new Shares so issued to the Offeror.
- The Offeror is directly wholly-owned by Sichuan Liming, which is in turn directly wholly-owned by Xinjiang Xintai. The controlling shareholder of Xinjiang Xintai is Mr. Ming (an executive Director, the chairman of the Board, a Controlling Shareholder), holding approximately 41.07% of the total issued shares of Xinjiang Xintai as at the date of this joint announcement. Accordingly, Mr. Ming is deemed to be interested in 1,933,704,886 Shares held by the Offeror. In addition, for the purpose of the SFO, Mr. Ming is deemed to be interested in 2,024,000 Shares beneficially owned by his spouse. The Shares in which the Offeror are interested will not form part of the Scheme Shares and will not be voted at the Court Meeting and will not be cancelled and extinguished upon the Scheme becoming effective.
- Ms. Zuo Na is the spouse of Mr. Ming. As a result, Ms. Zuo Na is presumed to be a party acting in concert with the Offeror. The 2,024,000 Shares held by Ms. Zuo Na will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming binding and effective in accordance with its terms.

Only Disinterested Scheme Shareholders may vote at the Court Meeting on the resolution to approve the Scheme. The Shares owned by the Offeror and the Offeror Concert Parties will not be voted at the Court Meeting.

All Shareholders will be entitled to vote at the EGM on: (a) a special resolution by a majority of at least two-thirds of the votes cast by the Shareholders present and voting, either in person or by proxy, at the EGM to approve and give effect to the Reduction on the Effective Date by cancelling and extinguishing the Scheme Shares; and (b) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM immediately thereafter to simultaneously restore the number of issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid Reduction to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme for allotment and issue to the Offeror. The Offeror and the Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, the Offeror and the Offeror Concert Parties will vote in favour of such resolutions to be proposed at the EGM.

As at the date of this joint announcement, the Disinterested Scheme Shareholders were interested in 1,459,587,946 Shares (representing approximately 42.99% of the total number of shares in issue of the Company).

Upon the Scheme becoming effective, the Offeror will hold 100% of the total number of shares in issue of the Company.

JOINT FINANCIAL ADVISERS TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed Cinda and Huarong as its joint financial advisers in connection with the Proposal.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee should comprise all non-executive Directors who have no direct or indirect interest in the Proposal. Mr. Huang Min, a non-executive Director, is also a director of the Offeror. Accordingly, he is regarded as being interested in the Proposal for the purpose of Rule 2.8 of the Takeovers Code and is not a member of the Independent Board Committee.

The Independent Board Committee, which comprises all independent non-executive Directors, namely Mr. Tai Kwok Leung Alexander, Dr. Liu Xiaofeng and Dr. Yang Ruizhao, has been established by the Board to advise the Disinterested Scheme Shareholders on the Proposal and as to voting. The recommendation of the Independent Board Committee as to whether the Proposal is or is not fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Court Meeting and the EGM, will be set out in the Scheme Document.

Somerley Capital Limited has been appointed by the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee on the Proposal and as to voting. The letter of advice from the Independent Financial Adviser as to whether the Proposal is or is not fair and reasonable, and as to voting by the Disinterested Scheme Shareholders at the Court Meeting and the EGM, will be set out in the Scheme Document.

REASONS FOR AND BENEFITS OF THE PROPOSAL

For Disinterested Scheme Shareholders

The Proposal gives Disinterested Scheme Shareholders an opportunity to receive the Scheme Consideration for their Scheme Shares at a premium over the current market price. The Scheme Consideration is (i) approximately 60.9% premium over the lowest closing price of HK\$1.15 per Share in the past one year; and (ii) approximately 2.2% premium over the highest closing price of HK\$1.81 per Share in the past one year, with no trading days' closing price were above the Scheme Consideration. Disinterested Scheme Shareholders who prefer to switch investment of their holding in Shares into securities of other companies with better prospects or higher share trading volume might not be able to do so in the absence of the Proposal because of the thin trading volume of the Shares. For some Disinterested Scheme Shareholders, given the current state of the economy and the uncertainty on the timing of a recovery, they may find the Proposal particularly timely.

For the Offeror and the Company

The Shares have been trading at a discount to its consolidated net asset value, ranging from approximately 23.0% to approximately 51.1% in the past one year (calculated by the lowest and the highest closing price of the Shares over the unaudited consolidated net asset value attributable to the Shareholders per Share of approximately HK\$2.35 as at 30 June 2022). The abovementioned has limited the Company's ability to raise funds from the equity markets and the Company does not wish to raise equity capital by means that will substantially dilute the shareholding interests of its existing Shareholders. At the same time, the cost of maintaining the Company's listing status (including those associated with regulatory compliance, disclosure and publication of financial statements) had been on the rise, defeating the original purpose for listing as the Company was not really deriving any real commercial benefit from maintaining its listing on the Stock Exchange and therefore the expenditure may not be justified. Upon completion of the privatisation, the Shares will be delisted from the Stock Exchange, which may benefit the Company from savings in costs related to the compliance and maintenance of the listing status of the Company. The Company's management will also be able to reallocate resources originally applied towards the Company's administration, compliance and other matters relating to its listing status towards the Group's business operations.

The Offeror considers that the Proposal, if successful, will provide the Offeror with more flexibility in supporting the long-term business development of the Company, without being concerned about the fluctuation of its short-term share performance, regulatory restrictions and compliance obligations arising from its listing status, and would allow the Offeror to streamline the Company's governance structure.

Having reviewed the Proposal, the Board has resolved to put the Proposal forward to the Scheme Shareholders for their consideration. The Directors (excluding members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser) believe that the Proposal and the Scheme are fair and reasonable and in the interests of the Shareholders as a whole.

INTENTION OF THE OFFEROR WITH REGARD TO THE COMPANY

The Offeror has no plan to introduce any material changes to the business and/or assets of the Group, to redeploy its fixed assets or to discontinue the employment of employees of the Group as a result of the Proposal.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Hong Kong with limited liability and is directly wholly-owned by Sichuan Liming, a company incorporated in the PRC with limited liability, which is in turn directly wholly-owned by Xinjiang Xintai.

The Offeror is principally engaged in investment holding. Xinjiang Xintai is principally engaged in the distribution and sales of natural gas. Xinjiang Xintai provides natural gas sales services, including natural gas sales for civilian use and commercial use, natural gas installation services, as well as compressed natural gas transportation services. Xinjiang Xintai is a company incorporated under the laws of the PRC and its shares are listed on the Shanghai Stock Exchange (stock code: 603393). The controlling shareholder of Xinjiang Xintai is Mr. Ming, holding approximately 41.07% of the total issued shares of Xinjiang Xintai as at the date of this joint announcement. According to publicly available information, the shareholding structure of the remaining approximately 58.93% of the total issued shares of Xinjiang Xintai is relatively scattered and is owned by the directors, supervisor and/or senior management of Xinjiang Xintai and their respective connected persons (including approximately 1.21% of the total issued shares of Xinjiang Xintai is held by Mr. Huang Min) and various investment funds and public shareholders as at the date of this joint announcement.

Mr. Ming is an executive Director of the Company, chairman of the Board, a Controlling Shareholder and the chairman of the Nomination Committee of the Company. Mr. Ming is primarily responsible for the Group's overall development and growth strategies, investor and public relations, board governance and supervision of key management issues. Mr. Ming was appointed as an executive Director of the Company, chairman of the Board and chairman of the Nomination Committee of the Company on 24 August 2018. Mr. Ming has been the chairman of the board of Xinjiang Xintai since January 2013.

Mr. Ming graduated from the correspondence college of Party College of Sichuan Province Committee of the Communist Party of China (中共四川省委黨校函授學院) in 1987, majoring in law.

INFORMATION ON THE COMPANY

The Company is a limited company incorporated in Cayman Islands and its shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the coal-bed methane (“CBM”) exploration and development sector in the PRC. Its key operating assets, the Panzhuang and Mabi concessions, are located in the Southwestern part of the Qinshui Basin, which has the largest proved CBM geological reserves in the PRC. The Company’s Panzhuang concession is the most commercially advanced Sino-foreign CBM asset in China and the first Sino-foreign CBM cooperative project to have entered full-scale commercial development and production.

As at the date of this joint announcement, the Company is beneficially owned as to 56.95% by the Offeror.

Financial information of the Group

Based on the published 2020 annual report, 2021 annual report and 2022 interim report of the Company, the profit before income tax, profit after income tax and total comprehensive income attributable to owners of the Company for the financial years ended 31 December 2020 and 2021 and the six months ended 30 June 2022 and the consolidated net assets of the Company (represented by equity attributable to owners of the Company) as at 31 December 2021 and 30 June 2022 are as follows. Further, to facilitate the fulfilment of the Pre-Condition for the Proposal, Xinjiang Xintai (being holding company of the Offeror and hence an indirect Controlling Shareholder of the Company), a company listed on the Shanghai Stock Exchange (stock code: 603393), is required to publish a major acquisition and connected transaction* (重大資產購買暨關聯交易) announcement in relation to the Proposal (the “**PRC Announcement**”) in accordance with the applicable laws and regulations. As advised by the PRC legal advisers of Xinjiang Xintai, certain selected unaudited financial information for the nine months ended 30 September 2022 and as at 30 September 2022 of the Company (the “**9M2022 Financial Information**”) based on the Hong Kong Financial Reporting Standards is required to be disclosed in the PRC Announcement. Accordingly, corresponding disclosure of certain selected 9M2022 Financial Information contained in the PRC Announcement is also set out below to ensure compliance with the requirement of information availability under Rule 8.1 of the Takeovers Code.

	For the nine months ended 30 September 2022 RMB'000 (unaudited)	For the six months ended 30 June 2022 RMB'000 (unaudited)	For the year ended 31 December	
			2021 RMB'000	2020 RMB'000
Profit before income tax	1,377,789	905,761	1,144,322	742,573
Profit after income tax	1,149,378	739,125	815,679	510,296
Total comprehensive income attributable to owners of the Company	1,076,032	712,198	814,016	478,604

	As at 30 September 2022	As at 30 June 2022	As at 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	
Net assets	7,302,151	6,938,317	6,425,550

Warning:

Given that there would be genuine practical difficulties (in terms of time) to the Company and their respective accountants/auditors in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code within a short span of time, the financial information for the nine months ended 30 September 2022 and as at 30 September 2022 of the Company (the “9M2022 Financial Information”) is only based on the preliminary review of the unaudited management accounts of the Company which have not been audited or reviewed by the auditors of the Company and is prepared with reference to the information currently available to the Company and constitutes a profit forecast under Rule 10 of the Takeovers Code. It does not meet the standard as required by Rule 10 of the Takeovers Code and has not been reported on in accordance with Rule 10 of the Takeovers Code, thus the Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the 9M2022 Financial Information when assessing the merits and demerits of the Proposal. The 9M2022 Financial Information will be reported on by the Company’s financial adviser and auditors in accordance with Rule 10.4 of the Takeovers Code in the next document to be sent to the Shareholders, being the Scheme Document.

As the Company expects to include the audited financial information of the Company for the full year ended 31 December 2022 (the “FY2022 Financial Information”) into the Scheme Document to be sent to the Shareholders, the requirements under Rule 10.4 of the Takeovers Code to report on the 9M2022 Financial Information will be superseded by the inclusion of the FY2022 Financial Information into the Scheme Document.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Effective Date pursuant to Rule 6.15 of the Listing Rules.

A detailed timetable for the implementation of the Proposal (including but not limited to the dates of the Court Meeting and the EGM, the last day for dealing in the Shares, the Record Date, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange) will be included in the Scheme Document.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Pre-Condition and the Conditions has not been fulfilled or waived, as applicable, on or before the Pre-Condition Long Stop Date and the Long Stop Date (as the case may be). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company; or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, except with the consent of the Executive.

OVERSEAS SCHEME SHAREHOLDERS

The making and implementation of the Proposal to, and acceptance of the Proposal by, Scheme Shareholders who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholders in such jurisdiction.

Any acceptance by such Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Cinda and Huarong, the joint financial advisers to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch or receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver may only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the

waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders. If any such waiver is granted by the Executive, the Offeror and the Company reserve the right to make arrangements in respect of the Scheme Shareholders not resident in Hong Kong in relation to the Proposal. Such arrangements may include notifying any matter in connection with the Scheme or the Proposal to the Scheme Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such of Scheme Shareholders are resident. The notice will be deemed to have been sufficiently given despite any failure by such Scheme Shareholders to receive or see that notice. The Executive may or may not grant such waiver.

TAXATION AND INDEPENDENT ADVICE

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation or other implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Cinda, Huarong or the Independent Financial Adviser or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of the implementation of the Proposal.

COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Proposal is either not recommended by the Independent Board Committee, or is not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme will be borne by the Offeror if the Scheme is not approved.

If the Proposal is recommended by the Independent Board Committee, and is recommended as fair and reasonable by the Independent Financial Adviser, the Company and the Offeror have agreed that each party will bear their own costs, charges and expenses.

SCHEME DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, a Scheme Document including, among other things, (i) further details of the Proposal (including the Scheme); (ii) the expected timetable relating to the Proposal; (iii) an explanatory memorandum as required under the Companies Act and the Grand Court Rules; (iv) the recommendation of the Independent Board Committee in respect of the Proposal (including the Scheme); (v) the letter of advice from the Independent Financial Adviser; and (vi) notices of the Court Meeting and the EGM will be despatched to the Shareholders within 21 days of the date of this joint announcement, being on or before 10 March 2023 and in compliance with the requirements of the Takeovers Code, the Companies Act and applicable laws and regulations. An application to the Executive for time extension for the despatch of the Scheme Document will be made if required.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM. Any voting, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

DISCLOSURE OF DEALINGS

Associates (as defined in the Takeovers Code) of the Offeror and the Company are reminded to disclose their dealings in the Shares under Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in any relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

GENERAL

Mr. Ming is a Controlling Shareholder, an executive Director and the chairman of the Board. The Offeror is 100% held Sichuan Liming, which in turn is 100% held by Xinjiang Xintai, and Mr. Ming is interested in approximately 41.07% of the total number of issued shares in Xinjiang Xintai. Mr. Huang Min, a non-executive Director, is also a director of the Offeror.

In the light of the foregoing, Mr. Ming and Mr. Huang Min are regarded as being interested in the Proposal. Therefore Mr. Ming and Mr. Huang Min have abstained and will continue to abstain from voting in respect of the Board resolutions of the Company in relation to the Proposal where required under the articles of association of the Company and subject to the compliance with the Takeovers Code.

As at the date of this joint announcement:

- (i) other than the Scheme Consideration for each Scheme Share cancelled and extinguished payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Proposal;
- (ii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and the Offeror Concert Parties on one hand and the Scheme Shareholders and persons acting in concert with them on the other hand; and
- (iii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) the Company, its subsidiaries or associated companies

TRADING HALT AND RESUMPTION OF TRADING IN SHARES OF THE COMPANY

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 26 January 2023, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 February 2023.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any acceptance or rejection of the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Details in relation to overseas Shareholders will be contained in the Scheme Document.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

- “acting in concert” has the meaning ascribed to it under the Takeovers Code and “concert party” shall be construed accordingly;
- “associates” has the meaning ascribed to it under the Takeovers Code;
- “Authorisations” all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, waivers and consents, licences, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals (including without limitation any which are required or desirable under or in connection with any applicable laws and regulations or any licenses, permits or contractual obligations of the Company), and all appropriate waiting periods (including extensions thereof), in connection with the Proposal;
- “Board” the board of Directors;
- “Cinda” Cinda International Capital Limited, a licenced corporation under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror;
- “Companies Act” the Companies Act (2023 Revision) of the Cayman Islands;
- “Company” AAG Energy Holdings Limited (亞美能源控股有限公司), a company incorporated as an exempted company with limited liability under the laws of the Cayman Islands and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2686);
- “Condition(s)” the condition(s) of the Proposal (including the Scheme), as set out in the section headed “The Proposal — Conditions of the Proposal” in this joint announcement;
- “Controlling Shareholder(s)” has the meaning ascribed to it under the Listing Rules, and in the case of the Company, being Mr. Ming, Xinjiang Xintai, Sichuan Liming and the Offeror;

“Court Meeting”	a meeting of the Disinterested Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof;
“Director(s)”	the director(s) of the Company;
“Disinterested Scheme Shareholder(s)”	holders of the Shares other than the Offeror and the Offeror Concert Parties;
“Disinterested Share(s)”	Shares in issue other than those beneficially owned by the Offeror and the Offeror Concert Parties;
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act;
“EGM”	an extraordinary general meeting of the Company to be convened and to be held immediately following the Court Meeting to consider, and if think fit, approve all necessary resolutions for implementation of the Proposal (including the Scheme);
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Grand Court”	the Grand Court of the Cayman Islands;
“Grand Court Rules”	The Grand Court Rules (2023 Revision) of the Cayman Islands;
“Group”	the Company together with its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huarong”	Huarong International Capital Limited, a licenced corporation under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror;
“Independent Board Committee”	the independent board committee of the Company formed to advise the Disinterested Scheme Shareholders on the Proposal;

“Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed to advise the Independent Board Committee on the Proposal and as to voting;
“Last Trading Date”	20 January 2023, being the last trading day of the Shares prior to the publication of this joint announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	the date which is 180 days after the posting of the Scheme Document (or such later date, if any, as (i) the Offeror and the Company may agree in writing; or (ii) to the extent applicable, as the Grand Court may direct, and in all cases, as may be permitted by the Executive);
“Mr. Ming”	明再遠先生 (Mr. Ming Zaiyuan*), an executive Director, the chairman of the Board, a Controlling Shareholder, and an Offeror Concert Party who is the controlling shareholder of Xinjiang Xintai (which in turn indirectly wholly owns the Offeror);
“Offeror”	Liming Holding Limited, a company incorporated in Hong Kong with limited liability;
“Offeror Concert Party(ies)”	person(s) acting in concert with the Offeror, including but not limited to Mr. Ming, Ms. Zuo Na and Mr. Huang Min;
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Pre-Condition(s)”	the pre-condition(s) to the implementation of the Proposal, details of which are set out in the section headed “The Proposal — Pre-Condition of the Proposal” in this joint announcement;
“Pre-Condition Long Stop Date”	the date which is 180 days after the date of this joint announcement (or such later date, if any, as the Offeror and the Company may agree in writing) being 16 August 2023;
“Proposal”	the proposed pre-conditional privatisation of the Company by the Offeror by way of the Scheme, and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the Pre-Condition and the Conditions as described in this joint announcement;

“Record Date”	the appropriate record date to be announced for determining entitlements of the Scheme Shareholders to receive the Scheme Consideration under the Proposal;
“Reduction”	the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares;
“RMB”	Renminbi, the lawful currency of the PRC;
“Scheme”	a scheme of arrangement to be proposed under Section 86 of the Companies Act for the implementation of the Proposal;
“Scheme Consideration”	the amount of HK\$1.85 per Scheme Share payable by the Offeror in cash to the Scheme Shareholders for the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme;
“Scheme Document”	the composite scheme document of the Offeror and the Company to be issued to the Shareholders containing, among others, details of the Proposal;
“Scheme Share(s)”	Share(s) held by the Scheme Shareholders (being all the Shares other than those held by the Offeror);
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares as at the Record Date;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	Share(s) of US\$0.0001 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Sichuan Liming”	四川利明能源開發有限責任公司 (Sichuan Liming Energy Development Co., Ltd.*), a company incorporated in the PRC with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities;

“US\$” the United States dollar, the lawful currency of the United States of America;

“Xinjiang Xintai” 新疆鑫泰天然氣股份有限公司 (Xinjiang Xintai Natural Gas Co., Ltd.*), a company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 603393); and

“%” per cent.

By the sole director of
Liming Holding Limited
Huang Min
Director

By order of the Board
AAG Energy Holdings Limited
Mr. Zhang Jianbing
Executive Director

Hong Kong, 17 February 2023

As at the date of this joint announcement, the sole director of the Offeror is Mr. Huang Min.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors (other than himself) in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As of the date of this joint announcement, the executive directors of Xinjiang Xintai are Mr. Ming Zaiyuan, Mr. Zhang Shu, Mr. Zhang Xinlong and Mr. Chen Jianxin and the independent directors of Xinjiang Xintai are Mr. Ren Junqiang, Mr. Huang Jian and Mr. Liao Zhongxin.

The directors of Xinjiang Xintai jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors (other than Mr. Ming Zaiyuan) in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As of the date of this joint announcement, the executive Directors are Mr. Ming Zaiyuan, Mr. Yan Danhua, and Mr. Zhang Jianbing; the non-executive Director is Mr. Huang Min; and the independent non-executive Directors are Mr. Tai Kwok Leung Alexander, Dr. Liu Xiaofeng and Dr. Yang Ruizhao.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the sole director of the Offeror in his capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** The Chinese names have been translated into English for references only.*