

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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



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)

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED RENEWAL OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of AAG Energy Holdings Limited to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Tuesday, May 2, 2023 at 9:30 a.m. set out on pages 19 to 23 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aagenergy.com).

Whether or not you propose to attend and vote at the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so desire. If you attend and vote at the AGM, the form of proxy will be revoked.

March 28, 2023

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
1. Introduction	5
2. Proposed Re-election of Retiring Directors	6
3. Proposed Renewal of General Mandate to Repurchase Shares	7
4. Proposed Renewal of General Mandate to Issue Shares	7
5. Recommendation	8
6. Responsibility Statement	8
7. Annual General Meeting and Proxy Arrangement	8
APPENDIX I — PARTICULARS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM	10
APPENDIX II — EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE	15
NOTICE OF ANNUAL GENERAL MEETING	19

DEFINITIONS

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

“2022 AGM”	the annual general meeting of the Company held on May 20, 2022
“AGM”	an annual general meeting of the Company to be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 9:30 a.m. on Tuesday, May 2, 2023, to consider and, if desirable, to approve the proposed resolutions as set out in the notice of such meeting which is set out on pages 19 to 23 of this circular, or any adjournment thereof
“Articles of Association” or “Articles”	the articles of association of the Company, as amended from time to time
“associates”	has the same meaning as ascribed to it under the Listing Rules
“Board”	board of Directors
“BVI”	British Virgin Islands
“CBM”	coalbed methane
“Chairman”	chairman of the Board
“China” or “PRC”	People’s Republic of China, except where the context requires otherwise, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“close associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Company”	AAG Energy Holdings Limited (previously known as AAG Energy Inc.), a company incorporated in the Cayman Islands with limited liability on December 23, 2014, with its Shares listed on the Main Board of the Stock Exchange (Stock Code: 2686)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“core connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Eligible Person(s)”	person(s) eligible to receive awards under the Post-IPO RSU Scheme, who could be existing employees, Directors or officers of the Company, or other companies of the Group
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	a general mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with any Shares or securities convertible to Shares and to make an offer or agreement or grant an option (including but not limited to warrants, options, bonds, notes, securities and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require the exercise of such power, during the period as set out in the proposed ordinary resolution No. 5 as set out in the notice of the AGM not exceeding 20% of the total number of issued shares of the Company as at the date of passing of proposed ordinary resolution No. 5 as set out in the notice of the AGM
“Latest Practicable Date”	March 24, 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Committee”	has the same meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the GEM
“Option(s)”	an option or right to purchase Shares under the Pre-IPO Share Option Scheme

DEFINITIONS

“Post-IPO RSU Scheme”	the post-IPO restricted share unit scheme adopted by the Company on June 5, 2015, which took effect on June 23, 2015. Details of the Post-IPO RSU Scheme and RSUs granted thereunder are set out in the section headed “Appendix V — Statutory and General Information — E. Post-IPO RSU Scheme” in the Prospectus
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Board on March 31, 2015 and effective on the same date, under which Options are awarded to eligible participants. Details of Pre-IPO Share Option Scheme and Options granted thereunder are set out in the section headed “Appendix V — Statutory and General Information — D. Pre-IPO Share Option Scheme” in the Prospectus
“Prospectus”	the prospectus of the Company published on June 11, 2015
“RMB”	Renminbi, the lawful currency of China
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is granted under the Post-IPO RSU Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of US\$0.0001 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution No. 4 as set out in the notice of the AGM
“Shareholders(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended from time to time

DEFINITIONS

“U.S.” or “United States” the United States of America, its territories and possessions and all areas subject to its jurisdiction

“%” per cent

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Ming Zaiyuan (*Chairman*)
Mr. Yan Danhua (*President*)
Mr. Zhang Jianbing (*Executive Vice President*)

Non-executive Director:

Mr. Huang Min

Independent Non-executive Directors:

Mr. Tai Kwok Leung Alexander
Dr. Liu Xiaofeng
Dr. Yang Ruizhao

Registered Office:

P.O. Box 31119
Grand Pavilion, Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

Unit 2506, 25/F
Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

Principal Place of Business in China:

Panzhuang Management Center
Guobei Village
Jiafeng Town
Qinshui County
Jincheng City
Shanxi Province, 048204
PRC

March 28, 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED RENEWAL OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE NEW SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the ordinary resolutions to be proposed at the AGM to be held on Tuesday, May 2, 2023.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with articles 84(1) and 84(2) of the Articles, Mr. Yan Danhua, Dr. Liu Xiaofeng and Dr. Yang Ruizhao will retire as Directors by rotation at the AGM and, being eligible, they will offer themselves for re-election at the same meeting.

The nomination committee of the Company (the “**Nomination Committee**”) assists the Board in the selection and nomination process for the above retiring Directors. The nomination was made in accordance with the nomination procedures adopted by the Board and took into account the Board’s composition as well as the various diversity aspects as set out in the board diversity policy adopted by the Board (the “**Board Diversity Policy**”).

The Nomination Committee has evaluated the retiring Directors based on criteria including but not limited to their character and integrity, professional qualifications, skills, knowledge, experience and willingness and ability to devote adequate time to discharge duties as members of the Board and is of the view that the retiring Directors will bring to the Board perspectives, skills and experience as further described in their particulars below.

Based on the Board Diversity Policy, the Nomination Committee considers that the retiring Directors can contribute to the diversity of the Board. The Board comprises seven members. The Directors also have a balanced mix of knowledge, skills and experience, including overall management, information technology and investment etc. They obtained degrees in various majors including economics, business administration, commerce, engineering and petroleum geology. The Board has three independent non-executive Directors with different industry backgrounds, representing more than one-third of the Board members. The Board has a wide range of age, ranging from 55 years old to 65 years old. The Company has taken and will continue to take steps to promote gender diversity at all levels of the Group, including but without limitation at the Board and senior management levels. The Directors consider that the composition of the Board satisfies the Board Diversity Policy.

The Nomination Committee has also assessed and reviewed the written confirmations of independence of Dr. Liu and Dr. Yang who has offered themselves for re-election at the AGM based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that they remain independent in accordance with Rule 3.13 of the Listing Rules.

The Board, with the recommendation of the Nomination Committee, believes that the valuable knowledge and experience of the retiring Directors in the businesses of the Group and their general business acumen continue to generate significant contribution to the Company and the Shareholders as a whole and supports their re-elections as Directors at the AGM.

Pursuant to the Listing Rules, the particulars of the retiring Directors offering themselves for re-election at the AGM, being Mr. Yan Danhua, Dr. Liu Xiaofeng and Dr. Yang Ruizhao, are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED RENEWAL OF GENERAL MANDATE TO REPURCHASE SHARES

At the 2022 AGM, a general mandate was granted to the Directors to exercise all powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the AGM.

In order to give the Company the flexibility to repurchase Shares where appropriate, an ordinary resolution will be proposed at the AGM to approve the renewal of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the number of issued Shares as at the date of passing the proposed ordinary resolution No. 4 as set out in the notice of the AGM. If the Company conducts a share consolidation or subdivision after the Share Repurchase Mandate is granted, the maximum number of Shares that may be repurchased under the Share Repurchase Mandate as a percentage of the total number of issued Shares as the date immediately before and after such consolidation or subdivision shall be the same.

As at the Latest Practicable Date, the issued share capital of the Company of 3,395,316,832 Shares have been fully paid. Subject to the passing of the proposed ordinary resolution No. 4 approving the Share Repurchase Mandate and assuming that the number of issued Shares remained unchanged following the Latest Practicable Date and prior to the date of the AGM, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate as at the date of passing the ordinary resolution No. 4 in the notice of AGM will be 339,531,683 Shares. The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the renewal of the Share Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED RENEWAL OF GENERAL MANDATE TO ISSUE SHARES

At the 2022 AGM, a general mandate was granted to the Directors to exercise all powers of the Company to allot, issue and deal with the Shares or securities convertible into Shares and to make or grant offers, agreements or options (including but not limited to any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require the exercise of such power. Such mandate will lapse at the conclusion of the AGM.

In order to give the Company the flexibility to issue Shares where appropriate, an ordinary resolution will be proposed at the AGM to approve the renewal of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares or securities convertible into Shares and to make or grant offers, agreements or options (including but not limited to any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require the exercise of such power, during the period as set out in the ordinary resolution No. 5 in the notice of AGM of not exceeding 20% of the number of issued Shares as at the date of passing of the resolution in relation to the Issuance Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the issued share capital of the Company of 3,395,316,832 Shares have been fully paid. Subject to the passing of the proposed ordinary resolution approving the Issuance Mandate and assuming that the number of issued Shares remains unchanged following the Latest Practicable Date and prior to the date of the AGM, the Directors will be authorized to issue a maximum of 679,063,366 Shares under the Issuance Mandate.

In addition, the number of Shares repurchased by the Company under ordinary resolution No. 4 will be added to extend the 20% limit of the Issuance Mandate as mentioned in ordinary resolution No. 5 provided that such additional amount shall not exceed 10% of the number of issued Shares as at the date of passing the resolutions in relation to the Issuance Mandate and Share Repurchase Mandate. If the Company conducts a share consolidation or subdivision after the Issuance Mandate is granted, the maximum number of Shares that may be issued under the Issuance Mandate as a percentage of the total number of issued Shares as the date immediately before and after such consolidation or subdivision shall be the same.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

5. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the proposed re-election of the retiring Directors and the renewal of the Share Repurchase Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

6. RESPONSIBILITY STATEMENT

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

7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 19 to 23 of this circular.

Pursuant to the Listing Rules and the Articles, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of such meeting, in good faith, decides to allow a resolution relating purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Listing Rules. An announcement on the poll vote results will be published by the Company after the AGM in the manner prescribed under the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aagenergy.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

Yours faithfully,
For and on behalf of the Board
AAG Energy Holdings Limited
Ming Zaiyuan
Chairman and Executive Director

The following are the particulars (as required by the Listing Rules) of the Directors proposed to be re-elected at the AGM.

(1) Mr. YAN Danhua

Position and experience

Mr. Yan Danhua (嚴丹華), aged 55, is an executive Director, the President, a member of the Strategic Development Committee and a member of the ESG Working Group of the Company. Mr. Yan is primarily responsible for the Group's overall operation management. Mr. Yan was appointed as an executive Director of the Company on 24 August 2018, the President of the Company on 7 September 2018, a member of the ESG Working Group of the Company on 27 March 2020 and a member of the Strategic Development Committee of the Company on 26 March 2021.

Mr. Yan has more than 11 years of strategic investment and operation management experience in the energy industry. He was responsible for managing the energy investment projects of 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 deputy 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 deputy 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, operation 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 Sugar 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 obtained a bachelor's degree in economics from Shaanxi Institute of Finance and Economics (陝西財經學院), currently known as Xi'an Jiao Tong University of China (中國西安交通大學), in 1990.

Saved as disclosed above, Mr. Yan does not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position within the Group.

Length of service and emoluments

Mr. Yan has entered into a service contract with the Company on August 24, 2021 in relation to his appointment as an executive Director 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 is RMB1.5 million

which have been reviewed by the remuneration committee of the Company and determined with reference to his respective duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

Relationship

Mr. Yan does not have any other relationship with any Directors or senior management of the Company or substantial Shareholders or controlling Shareholders.

Interest in Shares

As at the Latest Practicable Date, Mr. Yan did not have any interest in any Shares or underlying Shares pursuant to Part XV of the SFO.

Matters that need to be brought to the attention of the Shareholders

Saved as disclosed above, there are no other matters concerning Mr. Yan that need to be brought to the attention of the Shareholders and there is no other information relating to Mr. Yan that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

(2) Dr. LIU Xiaofeng

Position and experience

Dr. Liu Xiaofeng (劉曉峰), aged 60, is an independent non-executive Director and a member of the Audit Committee, Nomination Committee of the Company and the chairman of the Remuneration Committee of the Company. Dr. Liu is primarily responsible for independently overseeing the management. Dr. Liu joined the Company on 24 August 2018 and was appointed as an independent non-executive Director and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He was appointed as the chairman of the Remuneration Committee and the Strategic Development Committee of the Company on 7 September 2018. He ceased to be the chairman of the Strategic Development Committee of the Company on 9 November 2018.

Dr. Liu has been an independent non-executive director of Kunlun Energy Company Limited (昆侖能源有限公司) (Stock Code: 0135) since 2004, Cinda International Holdings Limited (信達國際控股有限公司) (Stock Code: 0111) since 2016, Sunfonda Group Holdings Limited (新豐泰集團控股有限公司) (Stock Code: 1771) since 2017, and Logory Logistics Technology Co., Ltd. (合肥維天運通信息科技股份有限公司) (stock code: 2482) since 2021, all being companies listed on the Main Board of the Stock Exchange. Dr. Liu was an independent non-executive director of Honghua Group Limited (宏華集團有限公司) (stock code: 0196) from 2008 to 2021, a company listed on the Main Board of the Stock Exchange. Dr. Liu also served as an independent director of the board of UBS Securities Company Limited since June 2016 to June 2022. Dr. Liu has more than 29 years of experience in corporate finance. He has served in a number of international

financial institutions since 1993, including N.M. Rothschild & Sons Limited (洛希爾父子有限公司), J.P. Morgan Securities (Asia Pacific) Limited (摩根大通(證券)(亞太)有限公司), N.M. Rothschild & Sons (HK) Limited (洛希爾父子(香港)有限公司), DBS Asia Capital Limited (星展亞洲融資有限公司) and China Resources Capital Holdings Company Limited (華潤金融控股有限公司).

Dr. Liu obtained a master's degree and a PhD from the Faculty of Economics, University of Cambridge, United Kingdom in 1988 and 1994, respectively. He obtained a master's degree in development studies from the University of Bath, United Kingdom in 1987, and a 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 the PRC in 1983, successively.

Saved as disclosed above, Dr. Liu does not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position within the Group.

Length of service and emoluments

Dr. Liu has entered into a letter of appointment with the Company on August 24, 2021 in relation to his appointment as an independent non-executive Director 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 Dr. Liu is HK\$350,000 which have been reviewed by the remuneration committee of the Company and determined with reference to his respective duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

Relationship

Dr. Liu does not have any other relationship with any Directors or senior management of the Company or substantial Shareholders or controlling Shareholders.

Interest in Shares

As at the Latest Practicable Date, Dr. Liu did not have any interest in any Shares or underlying Shares pursuant to Part XV of the SFO.

Matters that need to be brought to the attention of the Shareholders

Saved as disclosed above, there are no other matters concerning Dr. Liu that need to be brought to the attention of the Shareholders and there is no other information relating to Dr. Liu that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

(3) Dr. YANG Ruizhao*Position and experience*

Dr. Yang Ruizhao (楊瑞召), aged 59, is an independent non-executive Director, the chairman of the Strategic Development Committee and the head of the ESG Working Group of the Company. Dr. Yang is primarily responsible for independently overseeing the management. Dr. Yang was appointed as an independent non-executive Director and the chairman of the Strategic Development Committee of the Company on 9 November 2018. He was appointed as the head of the ESG Working Group of the Company on 27 March 2020.

Dr. Yang worked as a geological engineer in the Institute of Petroleum Geology at the Department of Geology and Minerals (地礦部石油地質研究所) from July 1986 to April 1995. Dr. Yang then served as a senior geological engineer in the Institute of Petroleum at China New Star Petroleum Co. (新星石油公司研究院) from April 1995 to July 1996. From May 2000 to July 2002, Dr. Yang joined the post-doctoral program and conducted research work in areas of geological resources and geological engineering at the China University of Mining and Technology (Beijing branch) (中國礦業大學(北京)). In December 2002, Dr. Yang started working as a senior geological engineer and an associate professor at the China University of Mining and Technology (Beijing branch) and was later promoted as a professor in July 2017. He has been working as a senior geological engineer and a professor at the China University of Mining and Technology (Beijing branch) since then. Dr. Yang has received several awards including a special award from the China Coal Industry Association (中國煤炭工業協會) and a second prize for progress in Science and Technology from the State Council of the PRC. Dr. Yang was also appointed as a member of the Mine Geophysical Committee of the Chinese Geophysical Society (中國地球物理學會礦山地球物理專業委員會) and Geofluid Science Committee (流體地球科學專業委員會).

Dr. Yang obtained a bachelor's degree of petroleum geology from the Chengdu College of Geology (成都地質學院) in the PRC in July 1986 and a doctoral degree in earth exploration and information technology from the China University of Geosciences (Beijing) (中國地質大學(北京)) in December 1999, respectively.

Saved as disclosed above, Dr. Yang does not hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position within the Group.

Length of service and emoluments

Dr. Yang has entered into a letter of appointment with the Company on November 10, 2022 in relation to his appointment as an independent non-executive Director 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 Dr. Yang is

HK\$350,000 which have been reviewed by the remuneration committee of the Company and determined with reference to his respective duties and responsibilities with the Company, the Company's performance and the prevailing market condition.

Relationship

Dr. Yang does not have any other relationship with any Directors or senior management of the Company or substantial Shareholders or controlling Shareholders.

Interest in Shares

As at the Latest Practicable Date, Dr. Yang did not have any interest in any Shares or underlying Shares pursuant to Part XV of the SFO.

Matters that need to be brought to the attention of the Shareholders

Saved as disclosed above, there are no other matters concerning Dr. Yang that need to be brought to the attention of the Shareholders and there is no other information relating to Dr. Yang that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The following is an explanatory statement providing all Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the proposed ordinary resolution No. 4 as set out in the notice of AGM in relation to the Share Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company of 3,395,316,832 Shares have been fully paid. As at the same date, there were no outstanding Options granted under the Pre-IPO Share Option Scheme. There were no outstanding RSUs granted under the Post-IPO RSU Scheme.

Subject to the passing of ordinary resolution No. 4 as set out in the notice of AGM in respect of the approving the renewal of the Share Repurchase Mandate and on the basis that the number of issued Shares remains unchanged before the AGM, i.e. being 3,395,316,832 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a maximum of 339,531,683 Shares, representing 10.0% of the number of Shares in issue as at the date of the AGM (assuming the number of issued Shares remains unchanged following the Latest Practicable Date and prior to the date of the AGM).

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

2. REASONS FOR SHARE REPURCHASE

The Directors believe it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Company to repurchase Shares on the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASE

The Company is empowered by its Articles to repurchase Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASE

There might be a material adverse impact on the working capital of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended December 31, 2022) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company which in the opinion of the Directors is from time to time appropriate for the Company.

5. TAKEOVERS CODE IMPLICATIONS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, the Articles and any other applicable laws of Cayman Islands and Hong Kong.

If, as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Listing Rules prohibit a company from making a repurchase on the Stock Exchange if the result of such repurchase would be less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued Shares would be publicly held. The Directors do not intend to repurchase Shares to the extent that, after the consummation of any such repurchase, less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued Shares would be publicly held.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the following Shareholders have interests representing 5% or more of the issued share capital of the Company within the meaning of Part XV of the SFO:

Name of Shareholders	Number of Shares held	Percentage of Shareholding in the Company	
		As at the Latest Practicable Date	Exercise in full of the Share Repurchase Mandate
Ming Zaiyuan ⁽¹⁾	1,935,728,886	57.01%	63.35%
Weng Ming ⁽²⁾	604,989,379	17.82%	19.80%

Notes:

- (1) As at the Latest Practicable Date, Liming Holding Limited beneficially owned 1,933,704,886 Shares and is the wholly owned subsidiary of Sichuan Liming Energy Development Co., Ltd, the wholly owned subsidiary of Xinjiang Xintai Natural Gas Co., Ltd. Ming Zaiyuan held 41.07% equity interest of Xinjiang Xintai Natural Gas Co., Ltd., in addition, Mr. Ming is deemed to be interested in 2,024,000 shares held by his spouse for the purposes of the SFO. Therefore, Ming Zaiyuan was deemed to be interested in 1,935,728,886 Shares.
- (2) As at the Latest Practicable Date, Wisdom Treasure Holdings Inc. beneficially owned interests in 601,628,379 Shares. Wisdom Treasure Holdings Inc. was entirely controlled by Mr. Weng Ming, who beneficially owned interests in 3,361,000 Shares.

In the event that the Share Repurchase Mandate is exercised in full and given that the Share Repurchase Mandate has been approved by the Shareholders, the interests of the above Shareholders will be increased to approximately the respective percentages shown in the last column above. As the interests deemed to be held by Mr. Ming would be increased from approximately 57.01% to approximately 63.35% upon exercise in full of the Share Repurchase Mandate, such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Share Repurchase Mandate to such an extent as would result in takeover obligations.

Save as aforesaid, the Directors are not aware of any consequences of any purchases under the Share Repurchase Mandate which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Share Repurchase Mandate to such an extent which will result in the aggregate number of Shares held by the public shareholders falling below the minimum requirement of public float by the Stock Exchange.

6. REPURCHASE OF SHARES MADE BY THE COMPANY

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

7. INTENTION OF DIRECTORS AND CORE CONNECTED PERSONS TO SELL SHARES

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

8. MARKET PRICES OF SHARES

During the period from the 12 months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares recorded on the website of the Stock Exchange were as follows:

Month	Highest Price <i>HK\$</i>	Lowest Price <i>HK\$</i>
2022		
April	1.60	1.23
May	1.72	1.40
June	1.60	1.33
July	1.47	1.30
August	1.68	1.35
September	1.64	1.30
October	1.42	1.19
November	1.44	1.19
December	1.84	1.36
2023		
January	1.76	1.60
February	1.73	1.66
March (up to the Latest Practicable Date)	1.77	1.54

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting (the “**AGM**”) of AAG Energy Holdings Limited (the “**Company**”) will be held at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong at 9:30 a.m. on Tuesday, May 2, 2023 for the purposes of considering and, if thought fit, passing (with or without amendments) the following purposes:

ORDINARY RESOLUTION

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2022 and the reports of the directors of the Company (the “**Directors**”) and the independent auditor of the Company (the “**Auditor**”).
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. Yan Danhua as an executive Director;
 - (b) to re-elect Dr. Liu Xiaofeng as an independent non-executive Director;
 - (c) to re-elect Dr. Yang Ruizhao as an independent non-executive Director;
 - (d) to authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint PricewaterhouseCoopers as the Auditor for the year ending December 31, 2023 and to authorize the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

4. To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares of US\$0.0001 each in the share capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for this purpose in accordance with all applicable laws, rules and regulations;
- (b) the total number of Shares to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the number of issued Shares as at the date of passing of this resolution, subject to adjustments according to any subsequent consolidation or subdivision of shares; and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company (the “**Articles**”) or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional Shares, to grant rights to subscribe for, or convert any securities into, Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) and to make or grant offers, agreements and options which might require the exercise of such powers;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the mandate in paragraph (a) of this resolution shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme or a restricted share units scheme of the Company, including without limitation to the pre-IPO share option plan approved and adopted by the Company on March 31, 2015;
 - (iii) the exercise of rights of the subscription or conversion under the terms of any warrants to be issued by the Company or any securities which are convertible into Shares; and
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles,

shall not exceed 20% of the total number of issued Shares on the date of passing of this resolution, subject to adjustments according to any subsequent consolidation or subdivision of Shares; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of Shares in the capital of the Company, or offer or issue of warrants, options or other securities giving the right to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions No. 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution No. 5 of the Notice be and is hereby extended by the addition to the total number of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the total number of Shares repurchased by the Company pursuant to the general mandate referred to in the resolution No. 4 of the Notice, provided that such amount shall not exceeding 10% of the total number of issued Shares as at the date of passing of this resolution.”

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

Hong Kong, March 28, 2023

Notes:

1. All resolutions at the AGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aagenergy.com) in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at AGM is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING

4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the AGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, April 26, 2023 to Tuesday, May 2, 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, April 25, 2023.
6. In the event of inconsistency, the English text of this notice shall prevail over the Chinese text.
7. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the meeting, the meeting will be postponed. The Company will post an announcement on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.aagenergy.com) to notify Shareholders of the date, time and venue of the rescheduled meeting.