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元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED

元亨燃氣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

PROPOSED CAPITAL REORGANISATION AND PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation involving:

(i) the Share Consolidation whereby every twenty (20) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share;

(ii) the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) where applicable, any fraction in the issued share capital of the Company arising from the Share Consolidation be cancelled; and (b) cancelling the paid up capital of the Company to the extent of HK$1.9 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK$2.0 to HK$0.1;

(iii) each authorised but unissued Consolidated Share (including the authorised but unissued Consolidated Share arising from the Capital Reduction) of par value of HK$2.0 will be sub-divided into twenty (20) New Shares of par value of HK$0.1 each, so that immediately following the Capital Reorganisation, the authorised share capital of the Company will remain at HK$10,000,000,000 divided into 100,000,000,000 New Shares; and

(iv) the transfer of all the credits arising from the Capital Reduction to the contributed surplus account of the Company.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 4,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 10,000 New Shares subject to and conditional upon the Capital Reorganisation becoming effective.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Capital Reorganisation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Capital Reorganisation at the SGM.

A circular containing, among other things, further details of the proposed Capital Reorganisation and the notice convening the SGM is expected to be despatched to the Shareholders on or before Wednesday, 10 June 2026.

Shareholders and potential investors of the Company should be aware of and take note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Capital Reorganisation". Accordingly, the Capital Reorganisation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation involving:

(i) the Share Consolidation whereby every twenty (20) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share;

(ii) the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) where applicable, any fraction in the issued share capital of the Company arising from the Share Consolidation be cancelled; and (b) cancelling the paid up capital of the Company to the extent of HK$1.9 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK$2.0 to HK$0.1;

(iii) each authorised but unissued Consolidated Share (including the authorised unissued Consolidated Share arising from the Capital Reduction) of par value of HK$2.0 will be sub-divided into twenty (20) New Shares of par value of HK$0.1 each, so that immediately following the Capital Reorganisation, the authorised share capital of the Company will remain at HK$10,000,000,000 divided into 100,000,000,000 New Shares; and

(iv) the transfer of all the credits arising from the Capital Reduction to the contributed surplus account of the Company.

Effects of the Capital Reorganisation

As at the date of this announcement, the total authorized share capital of the Company is HK$10,000,000,000, which is divided into 100,000,000,000 Shares of par value of HK$0.1 each, 6,545,621,131 Existing Shares have been allotted and issued and the Company has no treasury shares.

On the assumption that there is no change in the issued share capital prior to the date of the SGM and upon the Capital Reorganisation becoming effective, the authorised share capital of the Company shall remain at HK$10,000,000,000 which will be divided into 100,000,000,000 New Shares of par value of HK$0.1 each, of which 327,281,056 New Shares shall be in issue and fully paid or credited as fully paid, and a credit of approximately HK$621,834,006 arising from the Capital Reduction will be transferred to the contributed surplus account of the Company.

Assuming that there will be no change in the issued share capital of the Company from the date of this announcement up to the effective date of the Capital Reorganisation, the share capital structure of the Company (i) as at the date of this announcement; (ii) immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Sub-division becoming effective; and (iii) immediately upon the Capital Reduction and the Share Sub-division becoming effective are summarised as follows:

	As at the date of this announcement	**Immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Sub-division becoming effective**	**Immediately upon the Capital Reduction and the Share Sub-division becoming effective**
Par value per Share	HK$0.1 per Existing Share	HK$2.0 per Consolidated Share	HK$0.1 per New Share
Authorised share capital			
Number of authorised shares	100,000,000,000 Existing Shares	5,000,000,000 Consolidated Shares	100,000,000,000 New Shares
Amount of authorised share capital	HK$10,000,000,000	HK$10,000,000,000	HK$10,000,000,000
Issued share capital			
Number of issued Shares	6,545,621,131 Existing Shares	327,281,056.55 Consolidated Shares	327,281,056 New Shares
Amount of issued share capital	HK$654,562,113.1	HK$654,562,113.1	HK$32,728,105.6
Unissued share capital			
Number of unissued Shares	93,454,378,869 Existing Shares	4,672,718,943.45 Consolidated Shares	99,672,718,944 New Shares
Amount of unissued share capital	HK$9,345,437,886.9	HK$9,345,437,886.9	HK$9,967,271,894.4

Status of the New Shares

Upon the Capital Reorganisation becoming effective, the New Shares will rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional New Shares which will not be allocated to the Shareholders who may otherwise be entitled.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the following conditions:

(i) the passing of a special resolution by the Shareholders at the SGM to approve the Capital Reorganisation;

(ii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares upon the Capital Reorganisation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the applicable laws of Bermuda and Hong Kong (where applicable) and the Listing Rules to effect the Capital Reorganisation.

As at the date of this announcement, none of the conditions above had been fulfilled. Subject to the fulfilment of the conditions of the Capital Reorganisation, the effective date of the Capital Reorganisation is currently expected to be on Monday, 6 July 2026.

Application for listing of the New Shares

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange upon the Capital Reorganisation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares in issue are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Capital Reorganisation becoming effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is currently proposed to be sought.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or New Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 4,000 Existing Shares. It is proposed that, subject to and conditional upon the Capital Reorganisation becoming effective, the board lot size for trading on the Stock Exchange be changed from 4,000 Existing Shares to 10,000 New Shares.

Based on the closing price of HK$0.016 per Existing Share (equivalent to the theoretical closing price of HK$0.32 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK$64; (ii) the value of each board lot of 4,000 New Shares would be HK$1,280 assuming the Capital Reorganisation becoming effective; and (iii) the estimated value of each board lot of 10,000 New Shares would be HK$3,200 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

OTHER ARRANGEMENTS

Fractional entitlement to New Shares

Fractional New Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional New Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of New Shares.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lots arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates for New Shares

Subject to the Capital Reorganisation having become effective, Shareholders may during the specified period submit share certificates for the Existing Shares to the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange for new share certificates for the New Shares in blue colour at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Capital Reorganisation becoming effective, after 4:10 p.m. on Friday, 7 August 2026, trading will only be in New Shares and existing share certificates for the Existing Shares in green colour will only remain effective as *prima facie* evidence of legal title and may be exchanged for share certificates for New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

REASONS FOR THE CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on September 2024 (the "**Guide**") has further stated that (i) market price of the shares at a level less than HK$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$2,000.

The recent trading price of the Existing Shares is at a level below HK$0.10 and the existing board lot value of the Company has been constantly less than HK$2,000. In view of the prevailing trading prices of the Existing Shares, the Board proposes to implement the Capital Reorganisation. It is expected that the proposed Capital Reorganisation would bring about a corresponding upward adjustment in the trading price of the New Shares on the Stock Exchange. As a result, the proposed Capital Reorganisation would enable the Company to comply with the trading requirements under the Listing Rules. The Company also considers that the proposed Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. Based on the closing price of HK$0.016 per Existing Share (equivalent to the theoretical closing price of HK$0.32 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the expected market value of each board lot of 10,000 New Shares, assuming the Capital Reorganisation and the Change in Board Lot Size had become effective, would be HK$3,200, which is greater than HK$2,000 and therefore complies with the requirement as set out in the Guide.

Further, the Share Consolidation and the Change in Board Lot Size will also reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot since most of the banks or securities firms will charge a minimum transaction fee for each securities trade.

Pursuant to the Bye-laws, no Shares shall be issued at a discount to their nominal value. Immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Sub-division becoming effective, the par value of the Consolidated Shares will be HK$2.0 per Consolidated Share. The Capital Reduction and the Share Sub-division will keep the par value of the New Shares at a lower level of HK$0.1 per New Share, which allows greater flexibility in the pricing for any issue of new Shares in the future. The credit in the contributed surplus account arising from the Capital Reduction may be applied for setting off part of the accumulated loss of the Company or in other manner permitted under all applicable laws of Bermuda and the Bye-laws.

Other than the expenses to be incurred in relation to the Capital Reorganisation and the Change in Board Lot Size, the implementation of the Capital Reorganisation and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional New Shares which will not be allocated to the Shareholders who may otherwise be entitled. With a corresponding upward adjustment in the trading price of the New Shares, the Board believes that investment in the New Shares would be more attractive to a broader range of investors, thereby improving the liquidity of the New Shares and further broadening the shareholder base of the Company.

Although the Capital Reorganisation and the Change in Board Lot Size may lead to the creation of odd lots of the Existing Shares owned by the Shareholders, the Company will designate an agent to stand in the market to provide matching services for odd lots of the Existing Shares for a period of not less than three weeks, which is expected to effectively alleviate the difficulties caused by the creation of odd lots of the Existing Shares.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation. As at the date of this announcement, the Company has no present intention to conduct any equity fundraising activities. However, the Company is from time to time looking for strategic investors to broaden its investor base and will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Capital Reorganisation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and thus is for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	**Time and Date**
Despatch date of circular, form of proxy with notice of the SGM	on or before Wednesday, 10 June 2026
Latest time and date for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Wednesday, 24 June 2026
Closure of the register of members for determining the entitlements to attend and vote at the SGM	Thursday, 25 June 2026 to Thursday, 2 July 2026 (both days inclusive)
Latest time for lodging forms of proxy for the SGM	3:00 p.m. on Tuesday, 30 June 2026
Record date for attendance and voting at the SGM	Thursday, 2 July 2026
Time and date of the SGM	3:00 p.m. on Thursday, 2 July 2026
Publication of the announcement of the poll results of the SGM	Thursday, 2 July 2026

The following events are conditional upon the fulfilment of the conditions for the implementation of the Capital Reorganisation and the Change in Board Lot Size as set out in this announcement:

Event	**Time and Date**
Effective date of the Capital Reorganisation	Monday, 6 July 2026
Dealing in the New Shares commences	9:00 a.m. on Monday, 6 July 2026
First day of free exchange of existing share certificates for new share certificates for the New Shares	Monday, 6 July 2026

Original counter for trading in the Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes . . . . . 9:00 a.m. on Monday, 6 July 2026

Temporary counter for trading in the New Shares in board lots of 200 New Shares (in the form of existing share certificates) opens . . . . . 9:00 a.m. on Monday, 6 July 2026

Effective date of the new board lot size of 10,000 New Shares. . . . . Monday, 20 July 2026

Original counter for trading in the New Shares in new board lots of 10,000 New Shares (in the form of new share certificates for the New Shares) re-opens. . . . . 9:00 a.m. on Monday, 20 July 2026

Parallel trading in the New Shares (in the form of new share certificates for the New Shares and existing share certificates) commences . . . . . 9:00 a.m. on Monday, 20 July 2026

Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares. . . . . 9:00 a.m. on Monday, 20 July 2026

Designated broker ceases to stand in the market to provide matching services for odd lots of the New Shares. . . . . 4:00 p.m. on Friday, 7 August 2026

Temporary counter for trading in the New Shares in board lots of 200 New Shares (in the form of existing share certificates) closes . . . . . 4:10 p.m. on Friday, 7 August 2026

Parallel trading in the New Shares (in the form of new share certificates and existing share certificates) ends . . . . . 4:10 p.m. on Friday, 7 August 2026

Latest time and date for free exchange of existing share certificates for new share certificates for the New Shares . . . . . 4:30 p.m. on Tuesday, 11 August 2026

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Capital Reorganisation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Capital Reorganisation at the SGM.

A circular containing, among other things, (i) further details in relation to the Capital Reorganisation and the Change in Board Lot Size; and (ii) the notice of the SGM, is expected to be despatched to the Shareholders on or before Wednesday, 10 June 2026.

Shareholders and potential investors of the Company should be aware of and take note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraph headed "Conditions of the Capital Reorganisation". Accordingly, the Capital Reorganisation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

"Board"	the board of Directors
"Business Day(s)"	day(s) (excluding Saturdays, Sundays and public holidays) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"Bye-Laws"	the bye-laws of the Company from time to time
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Capital Reduction"	the proposed reduction in the issued share capital of the Company as detailed in the section headed "Proposed Capital Reorganisation" of this announcement
"Capital Reorganisation"	the capital reorganization of the Company involving the Share Consolidation, the Capital Reduction and the Share Sub-division
"Change in Board Lot Size"	the change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Existing Shares to 10,000 New Shares conditional upon the Capital Reorganisation becoming effective
"Company"	Yuan Heng Gas Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange

"Consolidated Share(s)"	ordinary share(s) of par value HK$2.0 each in the share capital of the Company immediately after the Share Consolidation
"Director(s)"	the director(s) of the Company
"Existing Share(s)"	issued and unissued existing ordinary share(s) of par value HK$0.1 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
"General Rules of HKSCC"	the terms and conditions regulating the use of HKSCC's services, as may be amended, supplemented and/or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS, as from time to time in force
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Share(s)"	Ordinary share(s) of HK$0.1 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Capital Reorganisation
"Share(s)"	Existing Share(s) and/or Consolidated Share(s) and/or New Share(s), as the case may be
"Share Consolidation"	the proposed share consolidation on the basis that every twenty (20) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share

"Share Sub-division"	the proposed sub-division of each authorised but unissued Consolidated Share into twenty (20) authorised and unissued New Shares
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By order of the Board
Yuan Heng Gas Holdings Limited
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 1 June 2026

As at the date of this announcement, the executive Directors are Mr. Wang Jianqing and Mr. Bao Jun; and the independent non-executive Directors are Dr. Leung Hoi Ming, Dr. Wong Siu Hung Patrick and Ms. Lin Ying.