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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.

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AAG

AAG Energy Holdings Limited
亞美能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2686)

PROPOSED RE-ELECTION OF RETIRING DIRECTORS, PROPOSED RENEWAL OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES, RE-APPOINTMENT OF RETIRING AUDITOR, PROPOSED RENEWAL OF ANNUAL MANDATE TO ISSUE SHARES UNDER THE POST-IPO RSU SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM of AAG Energy Holdings Limited to be held at Aberdeen Room, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, May 9, 2017 at 10:00 a.m. set out on pages 28 to 32 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 31, 2017

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

"2016 AGM"	the annual general meeting of the Company held on April 28, 2016
"AACI"	Asian American Coal, Inc., a company incorporated and existing under the laws of the BVI on January 18, 1999 and an independent third party
"AAGI"	Asian American Gas, Inc., a company incorporated and existing under the laws of the BVI on July 16, 2004 and a wholly-owned subsidiary of the Company
"AGM"	an annual general meeting of the Company to be held at Aberdeen Room, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Tuesday, May 9, 2017, 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 28 to 32 of this circular, or any adjournment thereof
"Annual Mandate"	a specific and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to grant RSUs pursuant to the Post-IPO RSU Scheme in respect of underlying Shares not exceeding 2.0% of the Shares in issue as at the date of passing the proposed ordinary resolution No. 7 as set out in the notice of the AGM
"Applicable Period"	the period from the date of passing the resolution granting the Annual Mandate, to the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the end of the period within which the Company is required by any applicable laws or by the Articles to hold the next annual general meeting of the Company; and (c) the date on which the Annual Mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting of the Company
"Articles of Association" or "Articles"	the articles of association of the Company, as amended from time to time
"associates"	has the same meaning as defined in the Listing Rules
"Board"	the board of directors of the Company

"BVI"	the British Virgin Islands
"CBM"	coalbed methane
"Chairman"	the chairman of the Board
"China" or "PRC"	the People's Republic of China, except where the context requires otherwise, excluding Hong Kong, Macau 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 on June 23, 2015 (Stock Code: 2686)
"connected person(s)"	has the same meaning as ascribed to it under the Listing Rules
"Controlling Shareholders"	Baring Private Equity Asia IV Holding (4) Limited, WP China CBM Investment Holdings Limited and Dr. Zou
"core connected person(s)"	has the same meaning as ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Dr. Zou"	Dr. Stephen Xiangdong Zou (鄒向東), the Chairman and executive Director
"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, or any other person selected by the Board or the Remuneration Committee at its sole discretion from time to time
"Group"	the Company and its subsidiaries
"HK$"	the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"independent third party"	any entity or party which is not connected (as defined in the Listing Rules) to the Directors, substantial shareholders or chief executives of the Company or its subsidiaries, or any of their respective associates
"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 28, 2017, 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 Date"	June 23, 2015, being the date of the listing of the Company's Shares on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 Growth Enterprise Market of the Stock Exchange. For the avoidance of doubt, the Main Board excludes the Growth Enterprise Market
"Option(s)"	an option or right to purchase Shares under the Pre-IPO Share Option Scheme
"Parent Company"	AAG Energy Limited (previously known as Asian American Gas Limited and China CBM Investment Holdings Limited), an exempted company incorporated and existing under the laws of the Cayman Islands with limited liability and the then parent company of the Company

"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 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 Prospectus
"Prospectus"	the prospectus of the Company published on June 11, 2015
"Remuneration Committee"	the remuneration committee of the Board
"RSU(s)"	restricted share unit(s), being a contingent right to receive Shares which is granted under the Post-IPO RSU Scheme
"SAEI"	Sino-American Energy, Inc. (Samoa), a company incorporated and existing under the laws of Samoa, a wholly owned subsidiary of AAGI and an indirect wholly owned subsidiary of the Company
"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 of the Company 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 ascribed to it in the Listing Rules
"substantial shareholder"	has the same meaning as defined in 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
"The Zou 2011 Family Trust"	an irrevocable discretionary trust set up by Dr. Zou on 29 August 2011 for the benefit of his family members and of which HSBC Bank USA, N.A. is the trustee
"The Zou 2012 Family Trust"	an irrevocable trust by Dr. Zou on 16 August 2012 for the benefit of his family members and of which J.P. Morgan Trust Company of Delaware is the trustee
"U.S." or "United States"	the United States of America, its territories and possessions and all areas subject to its jurisdiction
"Zou GRAT"	an irrevocable grantor retained annuity trust set up by Dr. Zou on 16 August 2012 for the benefit of himself and his family members and of which J.P. Morgan Trust Company of Delaware is the trustee
"%"	per cent

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

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 Director:
Dr. Stephen Xiangdong Zou *(Chairman)*

Non-executive Directors:
Mr. Peter Randall Kagan
Mr. Gordon Sun Kan Shaw
Mr. Zhen Wei
Mr. Lei Jin
Dr. Guiyong Cui
Mr. Saurabh Narayan Agarwal

Independent Non-executive Directors:
Mr. Yaowen Wu
Mr. Robert Ralph Parks
Mr. Stephen Law Cheuk Kin
Mr. Fredrick J. Barrett

Registered Office:
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Principal Place of Business in China:
1701, 17/F
Tower A, Landmark Office Towers
8 North Dongsanhuan Road
Chaoyang District
Beijing
PRC
Postal code: 100004

March 31, 2017

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, RE-APPOINTMENT OF RETIRING AUDITOR, PROPOSED RENEWAL OF ANNUAL MANDATE TO ISSUE SHARES UNDER THE POST-IPO RSU SCHEME, 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 9, 2017.

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with articles 84(1) and 84(2) of the Articles, Dr. Zou, Mr. Gordon Sun Kan Shaw ("**Mr. Shaw**"), Mr. Robert Ralph Parks ("**Mr. Parks**") and Mr. Fredrick J. Barrett ("**Mr. Barrett**") will retire as Directors by rotation at the AGM. Dr. Zou, Mr. Shaw, Mr. Parks and Mr. Barrett, being eligible, will offer themselves for re-election at the same meeting. In accordance with articles 83(3) and 84(2) of the Articles, each of Mr. Stephen Law Cheuk Kin ("**Mr. Law**") and Mr. Saurabh Narayan Agarwal ("**Mr. Agarwal**"), who has been appointed by the Board as Directors on April 28, 2016, with effect from July 2, 2016, and on March 24, 2017 with effect from the same date, respectively, will retire as Director at the AGM and, being eligible, will offer himself for re-election at the same meeting.

Pursuant to the Listing Rules, the particulars of the retiring Directors offering themselves for re-election at the AGM, being Dr. Zou, Mr. Shaw, Mr. Parks, Mr. Barrett, Mr. Law and Mr. Agarwal, are set out in Appendix I to this circular.

3. PROPOSED RENEWAL OF GENERAL MANDATE TO REPURCHASE SHARES

At the 2016 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 Repurchase Mandate is granted, the maximum number of Shares that may be repurchased under the 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 3,326,780,245 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 332,678,024 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 2016 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.

As at the Latest Practicable Date, the issued share capital of the Company of 3,326,780,245 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 665,356,049 Shares under the Issuance Mandate.

In addition, subject to a separate approval of the ordinary resolution No. 6, the number of Shares repurchased by the Company under ordinary resolution No. 4 will also 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. PROPOSED RE-APPOINTMENT OF RETIRING AUDITOR

The Board proposes to re-appoint PricewaterhouseCoopers as the independent auditor of the Company (the "**Auditor**") effective until the conclusion of the next annual general meeting of the Company subject to the approval of the Shareholders at the AGM. The Board also proposes and recommends to the Shareholders to authorize the Board at the AGM to fix the remuneration of PricewaterhouseCoopers as Auditor.

6. PROPOSED RENEWAL OF ANNUAL MANDATE TO ISSUE SHARES UNDER THE POST-IPO RSU SCHEME

Reference is made to the Prospectus in relation to, among other things, a specific mandate (the "**2015 Annual Mandate**") granted to the Board by the then Shareholder on June 5, 2015. Under the 2015 Annual Mandate, the Board was authorized to grant RSUs pursuant to the Post-IPO RSU Scheme during the period from the date of approving the 2015 Annual Mandate and up to the the conclusion of the 2016 AGM (the "**2015 Annual Mandate Applicable Period**") and to allot and issue Shares, procure the transfer of Shares and otherwise deal with Shares pursuant to the vesting of any RSUs that are granted during the 2015 Annual Mandate Applicable Period. The 2015 Annual Mandate lapsed at the conclusion of the 2016 AGM. No further annual mandate was sought at the 2016 AGM to authorize the Directors to grant RSUs during the applicable period pursuant to the Post-IPO RSU Scheme.

Pursuant to Clause 4.2 of the Post-IPO RSU Scheme, the Directors propose to refresh the scheme mandate limit by an ordinary resolution at the AGM which gives the Directors a specific mandate (the "**Annual Mandate**") to exercise all the powers of the Company to grant RSUs in respect of underlying Shares not exceeding 2.0% of the Shares in issue as at the date of passing such mandate, and to allot, issue and deal with the Shares underlying the RSUs granted pursuant to the Post-IPO RSU Scheme during the Applicable Period as and when such RSUs vest. Subject to the passing of the relevant resolution to approve the Annual Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Directors would be authorized to exercise the powers of the Company to grant RSUs in respect of a maximum number of 66,535,604 underlying Shares.

If the Company conducts a share consolidation or subdivision after the refreshment of the Annual Mandate has been approved in the AGM, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Post-IPO RSU Scheme under the 2.0% limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

Reference is made to the announcement of the Company dated March 27, 2017 in relation to the proposed conditional grant (the "**Proposed Grant**") of an aggregate of 15,426,249 RSUs to the non-connected grantees of the Company (the "**Non-connected Grantees**") and an aggregate of 10,906,933 RSUs to the connected grantees the Company (the "**Connected Grantees**") (collectively, the "**RSU Grantees**"), which represented approximately 0.46% and 0.33% of the Company's issued share capital as of the Latest Practicable Date, respectively. The Company will seek the Annual Mandate from the Shareholders for the Proposed Grant in the AGM.

The Shareholders who are the Connected Grantees and their respective associates are required to abstain from voting on the ordinary resolution at the AGM to approve the Annual Mandate with respect to all the Shares they hold. In addition, the Shareholders who are the Non-connected Grantees and their respective associates are also required to abstain from voting on the ordinary resolution at the AGM to approve the Annual Mandate with respect to all the Shares they hold.

As at the Latest Practicable Date, save as the RSU Grantees, no eligible person has been proposed or identified by the Board to be granted any RSUs under the Annual Mandate. Therefore, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries as at the Latest Practicable Date, no other Shareholder has a material interest in the transactions contemplated under the Annual Mandate and is required to abstain from voting on the ordinary resolution at the AGM to approve the Annual Mandate.

Further information in connection with the Annual Mandate is set out in Appendix III to this circular.

7. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the proposed re-election of the retiring Directors, the renewal of the Share Repurchase Mandate and the Issuance Mandate, the re-appointment of the retiring Auditor and the renewal of the Annual Mandate to issue Shares pursuant to the Post-IPO RSU Scheme 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.

8. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 28 to 32 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.

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
Stephen Xiangdong Zou
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.

Dr. Stephen Xiangdong Zou (鄒向東博士), aged 59, is the primary founder of the Group, an executive Director and the Chairman. Dr. Zou is primarily responsible for the Group's overall development and growth strategies, investor and public relations, board governance and supervision of key management issues. Dr. Zou has been the chairman and chief executive officer of the Parent Company since February 2008 and October 2013, respectively. He has been a director, the chief executive officer and chairman of the board of directors of AAGI since July 2004, August 2006 and October 2013, respectively. He was the president of AAGI from July 2005 to October 2013. He has been a director and the president of SAEI since June 2007.

Dr. Zou has over 31 years of experience in energy resources fields in the U.S. and the PRC, mainly in coal, CBM and petroleum exploration and development. He is considered one of the pioneers of China's CBM industry. From 1999 to 2006, he was a director, executive vice president, president and chief China representative of AACI and was responsible for development and implementation of AACI's short-term and long-term work plans, management of its daily operations and business development, including project acquisition, assessment and approvals, contract negotiation and approvals, and partner relations. During this period, he identified and developed two coal mining projects, the Daning coalmine and the Gaohe coal mine, and two CBM projects.

Dr. Zou was the general manager of CBM projects of Phillips China Inc. (菲力浦斯中國有限公司) from 1996 to 1997. He was responsible for the project coordination between Phillips China Inc. and its partners, overall management of the projects, negotiation of the production sharing contract and coordination of the support processes from Phillips China Inc. From 1994 to 1996, Dr. Zou was the vice president of CBM Energy Associates, L.C. and was responsible for its in-country management, partner relations and business development, including identification, contract negotiation and development of two CBM concessions, which led to the establishment of Shanxi Hedong CBM Company, Ltd., a joint venture established by CBM Energy Associates, L.C., Shanxi Energy Enterprise (Group) Corporation and four other local companies in Shanxi Province, and Fuxin Sino- American CBM Co. Ltd., a joint venture established by CBM Energy Associates, Inc. and Fuxin Energy Development Corporation, as the operators of the CBM concessions. From 1994 to 1997, Dr. Zou was the vice chairman and general manager for both Shanxi Hedong CBM Company, Ltd. and Fuxin Sino-American CBM Co., Ltd. and managed their daily operations, CBM explorations (drillings and reservoir evaluation), CBM sales contracts' negotiations and partner relations.

From 1989 to 1993, while pursuing his doctorate degree at the department of geology and geography of West Virginia University, Dr. Zou was a teaching assistant as well as a research assistant on a project sponsored by the U.S. Department of Energy entitled "Measuring and Predicting Reservoir Heterogeneity in Complex Deposystems." Prior to that, he worked as an engineer at the branch of geology & exploration, China Central Coal Research Institute (中國煤炭科學研究院地質勘探分院) from 1985 to 1989 and worked at Shanxi No. 2 Coal Geological Exploration Co. (山西煤田地質勘探二隊) from 1975 to 1978.

Dr. Zou obtained a bachelor of engineering degree in coal geology and exploration from Shanxi Mining College (山西礦業學院) in May 1982 and obtained a master degree from China Central Coal Research Institute (中國煤炭科學研究院) in December 1985. Dr. Zou obtained his doctor of philosophy degree in geology from West Virginia University in December 1993.

Dr. Zou has signed a service agreement (the "**Service Agreement**") with the Company on June 5, 2015 for an initial term of three years commencing from the Listing Date (subject to retirement by rotation and re-election as and when required under the Articles of Association). Pursuant to the Service Agreement, the annual salary of Dr. Zou is US$375,258, which is based on his qualification, position and seniority and he is fully reimbursed for all reasonable expenses reasonably incurred in the course of his employment.

As at the Latest Practicable Date, Dr. Zou beneficially owns interests in 126,524,107 Shares, representing approximately 3.80% of the issued share capital of the Company, 11,942,710 Shares and 6,621,733 Shares of which represent interests in the outstanding Options and outstanding RSUs he held under the Pre-IPO Share Option Scheme and the Post-IPO RSU Scheme, respectively. As at the Latest Practicable Date, Dr. Zou is deemed to be interested in an aggregate of 84,677,113 Shares, representing approximately 2.55% of the issued share capital of the Company, within the meaning of Part XV of the SFO, through The Zou 2011 Family Trust, The Zou 2012 Family Trust and the Zou GRAT, each a discretionary trust established by Dr. Zou s a settlor and its beneficiaries are Dr. Zou and his family members. After approval of the annual results of the Group for the year ended December 31, 2016 on March 24, 2017, the Board announced that it approved the proposed conditional grant of 4,028,976 RSUs to Dr. Zou in accordance with the terms of the Post-IPO RSU Scheme, which is subject to reporting, announcement and the independent shareholders' approval at an extraordinary general meeting of the Company in compliance with the requirements under Chapter 14A of the Listing Rules.

Save as disclosed above, Dr. Zou (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Dr. Zou has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Dr. Zou's standing for re-election as Director that need to be brought to the attention of the Shareholders.

Mr. Gordon Sun Kan Shaw (蕭宇成), aged 52, is a non-executive Director. Mr. Shaw is primarily responsible for advising on accounting, internal control and financial matters. Mr. Shaw was appointed to the Parent Company's board of directors in February 2008. He is also one of the authorized representatives of the Company and has been one of the directors of AAGI and SAEI since February 2008 and March 2010, respectively.

Mr. Shaw has over 21 years of private equity experience with a broad variety of experience in the finance industry across Asia. Mr. Shaw is a managing director of Baring Private Equity Asia Limited. Prior to joining Baring Private Equity Asia Limited in January 1999, Mr. Shaw was a director at Hong Kong-based AIG Investment Corporation (Asia) Ltd, which he joined in September 1993. Mr. Shaw served as a director of Airtac International Group (TT: 1590) from December 2009 to May 2013.

Mr. Shaw received his bachelor of science degree in electrical engineering from Massachusetts Institute of Technology in June 1986 and his master of business administration degree from Columbia University in October 1992. Mr. Shaw is a fellow of Life Office Management Association, Inc (LOMA).

Mr. Shaw has signed a letter of appointment with the Company on June 5, 2015 for an initial term of three years commencing from the Listing Date (subject to retirement by rotation and re-election as and when required under the Articles of Association). Pursuant to such letter, no annual salary is payable by the Company to Mr. Shaw and Mr. Shaw is fully reimbursed for all reasonable out-of-pocket expenses incurred in discharging his duties on production of appropriate proofs of payment.

Save as disclosed above, Mr. Shaw (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Mr. Shaw has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Shaw's standing for re-election as Director that need to be brought to the attention of the Shareholders.

Mr. Saurabh Narayan Agarwal, aged 36, is a non-executive Director. Mr. Agarwal is responsible for advising on human resources and business development matters. Mr. Agarwal joined the Group in March 2017.

Mr. Agarwal is a managing director at Warburg Pincus. He joined Warburg Pincus in 2009 and has over eight years of investment experience in the energy sector. He is currently based in Singapore, where he relocated from New York in 2017. Mr. Agarwal focuses on investments in Southeast Asia and also leads the firm's energy investments across the Asia-Pacific region.

Prior to joining Warburg Pincus, Mr. Agarwal worked at Temasek Holdings in Mumbai as Private Equity Investment Associate from March to August 2007, and worked at McKinsey & Company, in New Jersey and New Delhi as Business Analyst from 2004 to 2007.

Mr. Agarwal is currently a director of Solar Mosaic, Inc., a solar project finance company based in Oakland, California. He previously served on the boards of several energy companies, including Competitive Power Ventures, Delonex Energy, RimRock Oil & Gas, RS Energy Group, Trident Energy, Velvet Energy and Venari Resources.

Mr. Agarwal received a degree of bachelor of technology in electrical engineering and a degree of master of technology in electrical engineering with specialization in microelectronics under the dual degree program from the Indian Institute of Technology Bombay in August 2004. He also received a degree of master in business administration from the Harvard Business School in June 2009.

Mr. Agarwal has entered into a letter of appointment with the Company on March 24, 2017 for a term of three years effective from the same date (subject to retirement by rotation and re-election as and when required under the articles of association of the Company). Pursuant to such letter, no annual salary is payable by the Company to Mr. Agarwal and Mr. Agarwal will be fully reimbursed for all reasonable out-of-pocket expenses incurred in discharging his duties on production of appropriate proofs of payment.

As at the Latest Practicable Date, Mr. Agarwal does not have any interest in the shares of Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Agarwal (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Mr. Agarwal has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Agarwal's standing for re-election as Director that need to be brought to the attention of the Shareholders.

Mr. Robert Ralph Parks, aged 73, is an independent non-executive Director. Mr. Parks is primarily responsible for independently overseeing the management. Mr. Parks joined the Group in June 2015.

Mr. Parks was appointed as the chairman of Oaktree Capital (Hong Kong) Limited ("**Oaktree**"), covering the Asia Pacific region from February 2007 until March 2012. He is a member of the board of trustees of Rice University in Houston, Texas in the United States and serves as chairman of the board of Rice Management Company, which oversees the university's endowment. He was appointed as an adviser to the investment committee of the Carnegie Corporate, a charitable foundation, in New York City. He is also an independent non-executive director of Ambow Education in Beijing, PRC. He previously served as an independent non-executive director of The Siam Commercial Bank Public Company Limited (SET: SCB) in Bangkok, Thailand.

Mr. Parks has over 41 years of experience in investment banking and has held senior management positions in Asia Pacific, Europe and the United States. Prior to joining Oaktree, he was chairman and chief executive officer in JP Morgan Asia Pacific from early 2001 to November 2006. Prior to that, Mr. Parks joined the Beacon Group in 1997 and was a partner from 1998 to 2000. Mr. Parks joined Goldman Sachs & Co. in the beginning of 1981 and became a partner in 1986 and was a limited partner for two years until 1996. Mr. Parks started his investment banking career with Merrill Lynch in 1970. In 1995, Mr. Parks founded Pear Tree Point School in Darien, Connecticut, USA, an independent elementary day school, of which he remains the sole proprietor to the present time.

Mr. Parks obtained his bachelor of arts degree from Rice University in June 1966 and his master of business administration degree from Columbia University in June 1970.

Mr. Parks has signed a letter of appointment with the Company on June 5, 2015 for an initial term of three years commencing from the Listing Date (subject to retirement by rotation and re-election as and when required under the Articles of Association). Pursuant to such letter, the annual remuneration of Mr. Parks is HK$250,000 and Mr. Parks is fully reimbursed for all reasonable out-of-pocket expenses incurred in discharging his duties on production of appropriate proofs of payment.

As at the Latest Practicable Date, Mr. Parks beneficially owns interests in 715,708 Shares of the Company, representing approximately 0.02% of the issued share capital of the Company within the meaning of Part XV of the SFO, 477,708 Shares of which represent interests in the outstanding Options he held under the Pre-IPO Share Option Scheme. After approval of the annual results of the Group for the year ended December 31, 2016 on March 24, 2017, the Board announced that it approved the proposed conditional grant of 450,000 RSUs to Mr. Parks in accordance with the terms of the Post-IPO RSU Scheme, which is subject to reporting, announcement and the independent shareholders' approval at an extraordinary general meeting of the Company in compliance with the requirements under Chapter 14A of the Listing Rules.

Save as disclosed above, Mr. Parks (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Mr. Parks has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Parks' standing for re-election as Director that need to be brought to the attention of the Shareholders.

Mr. Fredrick J. Barrett, aged 56, is an independent non-executive Director. Mr. Barrett is primarily responsible for independently overseeing the management. Mr. Barrett joined the Group in June 2015.

Mr. Barrett has over 31 years of experience in the energy and resources industry. Mr. Barrett currently has served as a non-executive director for Tamboran Resources, a private independent exploration and production oil and gas company headquartered in Sydney, Australia since September 2014. Mr. Barrett also currently serves as chairman of the Compensation committee for Tamboran. From 2014 to 2015, Mr. Barrett served on an advisory panel and steering committee for Santos Ltd. (ASX: STO), a leading oil and gas producer headquartered in Adelaide, Australia, providing technical and strategic advice on their unconventional programs in Australia. Mr. Barrett held various positions in the Bill Barrett Corporation from 2002 to 2013, which was co-founded by him in January 2002, and he retired in January 2013. He served as president and executive director from January 2002 to July 2006, chief executive officer and chairman of the board from March 2006 to January 2013 and also served as chief operating officer from June 2005 to February 2006 and also served as president from July 2010 to January 2013, respectively. Prior to that, Mr. Barrett was a senior geologist for Barrett Resources in the U.S. Rocky Mountain Region from 1997 to 2001, and a geologist from 1989 to 1996. Mr. Barrett was a partner in the Terred Oil Company from 1987 to 1989, a private oil and gas partnership providing geologic services for the U.S. Rocky Mountain Region. Mr. Barrett worked as a project and wellsite geologist intern-in-training for various periods for Barrett Resources from 1983 to 1986, and held similar training internship roles for various periods for Barrett Energy and Aeon Energy from 1981 to 1983.

Mr. Barrett obtained his Bachelor of Science and master of science degrees in geology from Ft. Lewis College, Durango, Colorado, USA and Kansas State University, Manhattan Kansas, USA in April 1984 and March 1989, respectively. Mr. Barrett graduated from the Harvard Business School Advanced Management Program in May 2005.

Mr. Barrett has signed a letter of appointment with the Company on June 5, 2015 for an initial term of three years commencing from the Listing Date (subject to retirement by rotation and re-election as and when required under the Articles of Association). Pursuant to such letter, the annual remuneration of Mr. Barrett is HK$250,000 and Mr. Barrett is fully reimbursed for all reasonable out-of-pocket expenses incurred in discharging his duties on production of appropriate proofs of payment.

As at the Latest Practicable Date, Mr. Barrett beneficially owns interests in 477,708 Shares of the Company, representing approximately 0.01% of the issued share capital of the Company within the meaning of Part XV of the SFO, which represent interests in the outstanding Options he held under the Pre-IPO Share Option Scheme. After approval of the annual results of the Group for the year ended December 31, 2016 on March 24, 2017, the Board announced that it approved the proposed conditional grant of 450,000 RSUs to Mr. Barrett in accordance with the terms of the Post-IPO RSU Scheme, which is subject to reporting, announcement and the independent shareholders' approval at an extraordinary general meeting of the Company in compliance with the requirements under Chapter 14A of the Listing Rules.

Save as disclosed above, Mr. Barrett (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Mr. Barrett has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Barrett's standing for re-election as Director that need to be brought to the attention of the Shareholders.

Mr. Stephen Law Cheuk Kin (羅卓堅), aged 54, is an independent non-executive Director. Mr. Law is responsible for independently overseeing the management of the Group. Mr. Law joined the Group in July 2016.

Prior to joining the Group, Mr. Law was the finance director and a member of the executive directorate of MTR Corporation Limited (HKSE: 66) ("**MTR**"). Prior to joining MTR, Mr. Law was the chief financial officer at Guoco Group Limited (HKSE: 53) ("**Guoco**"). Prior to Guoco, Mr. Law was a managing director at TPG, one of the largest global private equity funds. Prior to TPG, Mr. Law also worked in direct investment at Morningside. Mr. Law is a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Mr. Law is also a council member of HKICPA, and a vice-president of the Hong Kong Business Accountants Association, and an adjunct professor of the Hong Kong Polytechnic University. In addition, Mr. Law was appointed by Ministry of Finance of the PRC (the "**MOF**") as an expert consultant to advise the MOF on finance and management accounting.

Mr. Law received a bachelor degree in science (civil engineering) from the University of Birmingham, the United Kingdom and also received a master degree in business administration from the University of Hull, the United Kingdom.

Mr. Law has signed a letter of appointment with the Company on April 28, 2016 for an initial term of three years commencing from July 2, 2016 (subject to retirement by rotation and re-election as and when required under the Articles of Association). Pursuant to such letter, the annual remuneration of Mr. Law is US$55,000 for acting as an independent non-executive Director and annual remuneration of US$15,000 for acting as chairman of the Audit Committee and Mr. Law is fully reimbursed for all reasonable out-of-pocket expenses incurred in discharging his duties on production of appropriate proofs of payment. After approval of the annual results of the Group for the year ended December 31, 2016 on March 24, 2017, the Board announced that it approved the proposed conditional grant of 450,000 RSUs to Mr. Law in accordance with the terms of the Post-IPO RSU Scheme, which is subject to reporting, announcement and the independent shareholders' approval at an extraordinary general meeting of the Company in compliance with the requirements under Chapter 14A of the Listing Rules.

Save as disclosed above, Mr. Law (i) does not hold any other position with any members of the Group, (ii) is not related to any Director, senior management, substantial shareholder or controlling shareholder of the Company or other members of the Group, (iii) is not interested in other Shares within the meaning of Part XV of the SFO and, (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, Mr. Law has confirmed that there is no other information which is discloseable nor has he been involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and the Company is not aware of any other matters concerning Mr. Law's standing for re-election as Director that need to be brought to the attention of the Shareholders.

The following is an explanatory statement provides 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. ISSUED SHARES

As at the Latest Practicable Date, the issued share capital of the Company of 3,326,780,245 Shares have been fully paid. As at the same date, there were outstanding Options granted under the Pre-IPO Share Option Scheme to subscribe for 224,683,727 Shares and outstanding RSUs granted under the Post-IPO RSU Scheme involving 39,151,475 Shares, respectively.

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 332,678,024 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 332,678,024 Shares, representing 10% 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, 2016) 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 that 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:

		Percentage of Shareholding in the Company	
Name of Shareholders	**Number of Shares held**	**As at the Latest Practicable Date**	**Exercise in full of the Share Repurchase Mandate**
Warburg Pincus & Co.[(1)]	844,713,882 Shares	25.39%	28.21%
Salata Jean Eric[(2)]	688,933,679 Shares	20.71%	23.01%
Ping An Group[(3)]	345,906,690 Shares	10.40%	11.55%
Dr. Zou[(4)]	211,201,220 Shares	6.35%	7.05%
重慶三峽燃氣(集團) 有限公司[(5)]	180,833,000 Shares	5.44%	6.04%

Notes:

(1) WP China CBM Investment Holdings Limited beneficially owns 844,713,882 Shares of the Company. Asia X Investment I LLC holds 100% equity interest in WP China CBM Investment Holdings Limited. Warburg Pincus Private Equity X, L.P. controls 96.90% equity interest in Asia X Investment I LLC. Warburg Pincus Private Equity X, L.P. is 100% controlled by Warburg Pincus X, L.P., which in turn is 100% controlled by Warburg Pincus X GP L.P., which in turn is 100% controlled by WPP GP LLC, which in turn is 100% controlled by Warburg Pincus Partners, L.P., which in turn is 100% controlled by Warburg Pincus Partners GP LLC, which in turn is 100% controlled by Warburg Pincus & Co.. Therefore, Warburg Pincus & Co. is deemed to be interested in 844,713,882 Shares of the Company.

(2) Baring Private Equity Asia IV Holding (4) Limited beneficially owns 688,933,679 Shares of the Company. The Baring Asia Private Equity Fund IV L.P. holds 99.26% equity interest in Baring Private Equity Asia IV Holding (4) Limited. The Baring Asia Private Equity Fund IV L.P. is 100% controlled by Baring Private Equity Asia GP IV L.P., which in turn is 100% controlled by Baring Private Equity Asia GP IV Limited, which in turn is wholly-owned by Jean Eric Salata. Therefore, Jean Eric Salata is deemed to be interested in 688,933,679 Shares of the Company.

(3) Ping An Insurance (Group) Company of China (the "**Ping An Group**") ultimately owns 100% of Chinastone Hong Kong Holdings Limited, which is directly interested in 248,046,164 Shares of the Company. Ping An Group also ultimately owns 100% of the Shares in PA Investment Funds SPC, which is directly interested in 97,860,526 Shares of the Company. Therefore, Ping An Group is deemed to be interested in 345,906,690 Shares of the Company.

(4) As of the Latest Practicable Date, Dr. Zou beneficially owns interests in 126,524,107 Shares, 11,942,710 Shares and 6,621,733 Shares of which represent interests in the outstanding Options and outstanding RSUs he held under the Pre-IPO Share Option Scheme and the Post-IPO RSU Scheme, respectively. Dr. Zou is deemed to be interested in 63,075,458 Shares and 9,612,371 Shares for the purposes of the SFO, which is beneficially owned by Dr. Zou's descendants as beneficiaries of The Zou 2011 Family Trust and The Zou 2012 Family Trust, respectively. Dr. Zou is also deemed to be interested in 11,989,284 Shares for the purposes of the SFO, which are beneficially owned by Dr. Zou and his descendants as beneficiaries of the Zou GRAT. Each of The Zou 2011 Family Trust, The Zou 2012 Family Trust and the Zou GRAT is a discretionary trust established by Dr. Zou as a settlor and its beneficiaries are Dr. Zou and his family members. After approval of the annual results of the Group for the year ended December 31, 2016 on March 24, 2017, the Board announced that it approved the proposed conditional grant of 4,028,976 RSUs to Dr. Zou in accordance with the terms of the Post-IPO RSU Scheme, which is subject to reporting, announcement and the independent shareholders' approval at an extraordinary general meeting of the Company in compliance with the requirements under Chapter 14A of the Listing Rules.

(5) 深圳通豫能源投資有限公司 beneficially owns 180,833,000 Shares of the Company. 重慶三峽能源有限公司 holds 100% equity interest in 深圳通豫能源投資有限公司. 重慶三峽燃氣(集團)有限公司 controls 51% equity interest in 重慶三峽能源有限公司. Therefore, 重慶三峽燃氣(集團)有限公司 is deemed to be interested in 180,833,000 Shares of the Company.

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. On the basis of the shareholding held by the Shareholders named above, an exercise of the Share Repurchase Mandate in full will not give rise to an obligation on them to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences of any purchases made under the Share Repurchase Mandate which may arise under 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 Stock Exchange were as follows:

Month	Highest Price	Lowest Price
	HK$	*HK$*
2016		
March	1.55	1.21
April	1.40	1.06
May	1.29	0.94
June	1.27	1.01
July	2.60	1.07
August	1.37	1.18
September	1.37	1.16
October	1.53	1.32
November	1.53	1.20
December	1.38	1.18
2017		
January	1.39	1.25
February	1.40	1.23
March (up to the Latest Practicable Date)	1.35	1.20

The following is to provide Shareholders with information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution No. 7 as set out in the notice of AGM in respect of the approval of the Annual Mandate.

THE POST-IPO RSU SCHEME

Reference is made to the Prospectus, in relation to, among other things, a specific mandate (the "**2015 Annual Mandate**") granted to the Board by the then Shareholder on June 5, 2015. Under the 2015 Annual Mandate, the Board was authorized to grant RSUs pursuant to the Post-IPO RSU Scheme during the period from the date of approving the 2015 Annual Mandate and up to the the conclusion of the 2016 AGM (the "**2015 Annual Mandate Applicable Period**") and to allot and issue Shares, procure the transfer of Shares and otherwise deal with Shares pursuant to the vesting of any RSUs that are granted during the 2015 Annual Mandate Applicable Period.

The Post-IPO RSU Scheme is the only share-based incentive scheme that the Company has in place to incentivize its employees after the Listing. Given that the Company is the leading independent CBM producer in China while such industry is becoming increasingly competitive in attracting talents and the base of the Company's own talent pools continues to grow, there is a pressing need for the Company to grant RSUs to incentivize its Directors, senior management team and employees and to align their interest with that of the Company. The Post-IPO RSU Scheme may also assist the Company in retaining the management of potential targets in case of any mergers and acquisitions situations.

THE 2015 ANNUAL MANDATE

Pursuant to the 2015 Annual Mandate, the Directors were authorized to grant awards of RSUs pursuant to the Post-IPO RSU Scheme in respect of 66,487,378 Shares, which represents 2.0% of the Shares in issue on the Listing Date (without taking into account any Shares to be allotted and issued upon the exercise of the options granted under the Pre-IPO-Share Option Scheme).

Utilization

There were aggregate of 41,234,696 RSUs granted under the Post-IPO RSU Scheme pursuant to the 2015 Annual Mandate during the 2015 Annual Mandate Applicable Period, representing an aggregate of 41,234,696 Shares and approximately 1.24% of the issued share capital of the Company as at the Listing Date (without taking into account any Shares to be allotted and issued upon the exercise of the options granted under the Pre-IPO-Share Option Scheme).

The 2015 Annual Mandate lapsed at the conclusion of the 2016 AGM. No further annual mandate was sought at the 2016 AGM to authorize the Directors to grant RSUs during the applicable period pursuant to the Post-IPO RSU Scheme.

THE ANNUAL MANDATE TO BE SOUGHT AT THE AGM

Reason for renewal of the Annual Mandate

The purpose of the Post-IPO RSU Scheme is to enable the Company to grant RSUs to Eligible Persons (as defined under the Post-IPO RSU Scheme) as incentives and/or rewards for their contribution to the Group, to better reward the personnel who have contributed to the development and success of the Group, to incentivize them to remain with the Group, to motivate them to strive for the future development and expansion of the Group, and to attract skilled and experienced personnel for the further development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. As such, the renewal of the Annual Mandate will benefit the Group's future success by way of retention of capable talents and continuity of the experienced senior management team.

The Annual Mandate

As set out in the notice of AGM, a resolution will be proposed at the AGM to give the Directors a specific mandate to exercise all powers of the Company to grant RSUs in respect of a maximum number of the underlying Shares not exceeding 2.0% of the Shares in issue as at the date of passing such mandate, and to allot, issue and deal with the Shares underlying the RSUs granted pursuant to the Post-IPO RSU Scheme during the Applicable Period as and when such RSUs vest.

Subject to the passing of the proposed ordinary resolution No. 7 to approve the Annual Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Directors would be authorized to exercise the powers of the Company to grant RSUs in respect of a maximum number of 66,535,604 underlying Shares.

As at the Latest Practicable Date, save as the RSU Grantees, no eligible person has been proposed or identified by the Board to be granted any RSUs under the Annual Mandate. Therefore, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries as at the Latest Practicable Date, no other Shareholder has a material interest in the transactions contemplated under the Annual Mandate and is required to abstain from voting on the ordinary resolution at the AGM to approve the Annual Mandate.

Cost of Granting RSUs

The cost attributable to the grant of any RSUs under the Post-IPO RSU Scheme will be accounted for by reference to the market value of the Shares at the time of grant, adjusted to take into account the terms and conditions upon which Shares were granted.

The Directors consider that it is not appropriate or helpful to the Shareholders to state the value of all RSUs that can be granted under the Post-IPO RSU Scheme or the Annual Mandate being sought as if they had been granted on the Latest Practicable Date. The Directors believe that any statement regarding the value of all RSUs as at the Latest Practicable Date will not be meaningful to the Shareholders, since the RSUs to be granted shall not be assignable, and no holder of the RSUs shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any RSUs.

In addition, the calculation of the value of the RSUs is based on a number of variables such as vesting period and other relevant variables. The Directors believe that any calculation of the value of the RSUs as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

The Company will give due consideration to any financial impact arising from the grant of the RSUs under the Post-IPO RSU Scheme before exercising the Annual Mandate.

Listing Approval

An application will be made by the Company as soon as practicable to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares which may be allotted and issued to satisfy the RSUs which may be granted under the Post-IPO RSU Scheme pursuant to the Annual Mandate.

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 Aberdeen Room, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Tuesday, May 9, 2017 for the purposes of considering and, if thought fit, passing (with or without amendments) the following purposes:

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2016 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 Dr. Stephen Xiangdong Zou as an executive Director;

   (b) to re-elect Mr. Gordon Sun Kan Shaw as a non-executive Director;

   (c) to re-elect Mr. Saurabh Narayan Agarwal as a non-executive Director;

   (d) to re-elect Mr. Robert Ralph Parks as an independent non-executive Director;

   (e) to re-elect Fredrick J. Barrett as an independent non-executive Director;

   (f) to re-elect Mr. Stephen Cheuk Kin Law as an independent non-executive Director; and

   (g) to authorize the board of Directors (the "**Board**") to fix the remuneration of Directors.

3. To re-appoint PricewaterhouseCoopers as the Auditor for the year ended 31 December 2017 and to authorize the Board to fix its remuneration.

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;

(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 (i) the pre-IPO share option plan approved and adopted by the Company on March 31, 2015 and (ii) the post-IPO restricted share unit plan adopted by the Company on June 5, 2015, which took effect on June 23, 2015 (the "**Post-IPO RSU Scheme**");

(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.

"**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."

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

   "**THAT** the exercise by the Directors of all powers of the Company to grant restricted share units (the "**RSUs**") pursuant to the Post-IPO RSU Scheme, in respect of underlying Shares not exceeding 2.0% of the Shares in issue as at the date of passing this resolution, and during the period from the date of passing this resolution until the earlier of (a) the conclusion of the Company's next annual general meeting, (b) the end of the period within which the Company is required by any applicable law or the Articles to hold the next annual general meeting and (c) the date on which this resolution is varied or revoked by an ordinary resolution of the Company's shareholders in general meeting (the "**Applicable Period**") to allot, issue and deal with Shares underlying the RSUs to be granted pursuant to the Post-IPO RSU Scheme during the Applicable Period as and when such RSUs vest, be and is hereby generally and unconditionally approved."

By Order of the Board
AAG Energy Holdings Limited
Stephen Xiangdong Zou
Chairman and Executive Director

Hong Kong, March 31, 2017

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.

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 Thursday, May 4, 2017 to Tuesday, May 9, 2017, 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, May 2, 2017.

6. In the event of inconsistency, the English text of this notice shall prevail over the Chinese text.

7. As at the date of this notice, the executive Director is Dr. Stephen Xiangdong Zou; the non-executive Directors are Mr. Peter Randall Kagan, Mr. Gordon Sun Kan Shaw, Mr. Zhen Wei, Mr. Lei Jin, Dr. Guiyong Cui and Mr. Saurabh Narayan Agarwal; and the independent non-executive Directors are Mr. Yaowen Wu, Mr. Robert Ralph Parks, Mr. Stephen Law Cheuk Kin and Mr. Fredrick J. Barrett.