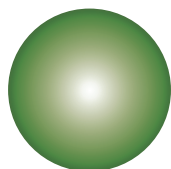


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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



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)

PROFIT WARNING

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the information currently available to the Board, the Group's profit attributable to the owners of the Company for the six months period ended 30 September 2016 is expected to decrease as compared to that for the corresponding period in 2015.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Yuan Heng Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“**SFO**”).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the information currently available to the Board, the Group’s profit attributable to owners of the Company for the six months period ended 30 September 2016 is expected to decrease as compared to that for the corresponding period in 2015.

Based on the information currently available, the expected decrease in the profit of the Group for the interim period ended 30 September 2016 as compared to that for the corresponding period in 2015 is principally attributable to (1) the slowdown in natural gas demand growth due to a slowdown in China’s economic growth since 2014, the transformation of the economic structure and the deceleration of industrial and power generation gas consumption; and (2) the loss of economic advantages of domestic LNG due to the continuous unfavourable prices of the international oil and gas. Furthermore, the decrease in the cost of the alternative source of energy and the dis-alignment on the price adjustment between the natural gas suppliers and the market users have caused significant challenges to the Group in costs transferring, placing pressure on the Company’s products’ selling price and volume. The Group’s Sichuan based LNG plant, in this regard, reported gross loss for the first time for the past off peak season. The management has carried out a series of efforts to reduce cost and increase efficiency, which aim to improve the profitability of the processing plants in a short term and to enhance the core competitiveness. The management considers that although the domestic natural gas market is currently in an over supply position during the transitional gas users adjustment period, the policy of the Chinese government to adjust the overall energy structure and to increase the use of natural gas is clear in a long run, and the prospect of the natural gas industry remains favorable.

In addition, the management is also actively seeking business opportunities to diversify the Group’s businesses and/or portfolio with a view to improve its overall financial and operational performance. The Company will make further announcement pursuant to the Listing Rules, where appropriate.

The information contained in this announcement is only the preliminary assessment by the management of the Company based on the information currently made available (including the Group’s unaudited consolidated management accounts, which are neither reviewed nor audited by the Company’s auditor). The actual results of the Group for the six months ended 30 September 2016 may be different from what is disclosed herein. Further details of the Group’s financial performance shall be disclosed in the Company’s interim results announcement for the six months period ended 30 September 2016.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

On behalf of the Board
Yuan Heng Gas Holdings Limited
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 18 November 2016

As at the date of this announcement, the executive Directors are Mr. Wang Jianqing, Mr. Bao Jun and Mr. Zhou Jian; and the Independent non-executive Directors are Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie.