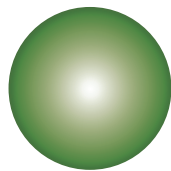


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元亨燃氣  
YUANHENG GAS

**YUAN HENG GAS HOLDINGS LIMITED**

**元亨燃氣控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 332)**

## **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 Group's unaudited consolidated management accounts for the year ended 31 March 2017, the Group's consolidated net loss attributable to the owners of the Company for the year ended 31 March 2017 is expected to increase as compared to that for the corresponding period in 2016.

**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 Group’s unaudited consolidated management accounts for the year ended 31 March 2017 and the information currently available to the Board, the Group’s consolidated net loss attributable to owners of the Company for the year ended 31 March 2017 is expected to increase as compared to that for the corresponding period in 2016.

Based on the information currently made available, the expected increase in net loss is principally attributable to (1) the lower gross profit margin due to stiff market competition against LNG, locally and internationally; (2) the fluctuation of oil and gas prices at the industry low range and the overall doldrums of the oil and gas industry in 2016; (3) the decline in other income due to lower non-recurring income; and (4) the fair value loss on the embedded derivatives component of the convertible bonds issued by the Company being recognized in profit or loss.

Notwithstanding the above, the management has continued to (1) seek and explore the expansion of its LNG distribution channel through proposed collaboration with industry player(s) and/or state-owned enterprises so as to lower the purchase cost and increase the sales volume of its downstream channel; (2) foster strategic cooperation with global renowned oil and gas supplier to facilitate the trading business of the Group; (3) further expand collaboration with quality end users of natural gas, which is expected to make positive contribution to the business and operations of the Group; (4) actively seek business opportunities to diversify the Group’s business and/or portfolio; and (5) implement cost control strategies and seek to increase efficiency through technology and management innovation. The Company will make further announcements in accordance with the Listing Rules, if applicable.

The information contained in this announcement is only based on a 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 not audited by the Company's auditor). The actual results of the Group for the year ended 31 March 2017 may be different from what is disclosed herein. Further details of the Group's financial performance shall be disclosed in the Company's annual results announcement for year ended 31 March 2017.

**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, 16 June 2017

*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.*