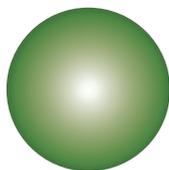


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元亨燃氣

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)

INSIDE INFORMATION
PRC CIVIL ACTION RELATING TO THE
ACQUISITION OF 34.5% EQUITY INTEREST IN
LU DONG WATER TRANSPORT CO LIMITED

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

Guangzhou Yuanheng has applied to Shanghai Baoshan District People's Court to commence the Civil Action against each of the Defendants for breach of the Agreement and repayment of the Capital Contribution with interest at the rate of 15% per annum from the date of payment of capital contribution to the Target by Guangzhou Yuanheng.

On 10 October 2018, the Company has received from the Court an acceptance notice (受理通知書) dated 8 October 2018 to commence the said Civil Action.

Shareholders and potential investors are advised to exercise caution when 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 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Inside Information Provisions under Part XIVA of Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 6 January 2017 relating to the acquisition of 34.5% equity interest in the Target, Lu Dong Water Transport Co Limited. Unless otherwise stated, capitalized terms used in this announcement shall have the same meaning as defined in the announcement of the Company dated 6 January 2017.

The board of directors of the Company wishes to inform the Shareholders and potential investors that after completion of the Acquisition, the Target has failed to obtain certain vessels subsidies and/or guarantee as provided under the Agreement. According to the terms of the Agreement, Guangzhou Yuanheng is entitled to request the Seller to repurchase from Guangzhou Yuanheng the 34.5% equity interest in the Target at the price of RMB34.5 million (the “**Capital Contribution**”) with interest at the rate of 15% per annum from the date of payment of capital contribution to the Target by Guangzhou Yuanheng. Each of Mr Zhang, Shanghai Xianghao, Harbin Hachuan, Wuxi Weichai and Shanghai Ninua is jointly and severally liable for the repurchase obligations of the Seller in favour of Guangzhou Yuanheng.

Guangzhou Yuanheng had requested each of the Seller, Mr Zhang, Shanghai Xianghao, Harbin Hachuan, Wuxi Weichai and Shanghai Ninua to re-purchase the subject equity interest but all of them had failed and/or neglected to comply with and act upon the repurchase obligations under the Agreement.

Guangzhou Yuanheng has applied to Shanghai Baoshan District People’s Court (上海市寶山區人民法院) to commence the civil action (the “**Civil Action**”) against each of the Seller, Mr Zhang, Shanghai Xianghao, Harbin Hachuan, Wuxi Weichai and Shanghai Ninua (collectively as the “**Defendants**”) for breach of the Agreement and re-purchase of the subject equity interest by repayment of the Capital Contribution with interest at the rate of 15% per annum from the date of payment of capital contribution to the Target by Guangzhou Yuanheng.

On 10 October 2018, the Company has received from the Court an acceptance notice (受理通知書) dated 8 October 2018 to commence the said Civil Action.

After obtaining advice from its PRC legal advisers, the Company is of the view that the Civil Action would not have any material adverse impact to the business operation and financial position of the Group.

No hearing date has been fixed for the Civil Action as at the date of this announcement. The Company shall seek a speedy determination of the Civil Action.

Further announcements will be made to keep Shareholders and the potential investors informed of any material development in relation to the Civil Action as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when 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, 11 October 2018

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.