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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)

POSITIVE PROFIT ALERT

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 is expected to record a modest consolidated profit of the Company of about RMB2 million attributable to owners of the Company for the financial year ended 31 March 2021 as compared to the consolidated loss attributable to owners of the Company of approximately RMB53.7 million recognised for the previous financial year ended 31 March 2020.

Based on information currently available, the expected turnaround profit was primarily due to a combination of several factors including (i) a significant increase in gross profit as a result of a significant increase in the average selling prices of LNG products in the market in the third and fourth quarters of 2020 coupled with a relative more stable prices of the raw materials where the Group was able to seize the opportunities, and more than compensated the loss the Group experienced in the first and second quarters of 2020; and (ii) several non-cash items, including (a) the written back of certain impairment loss of the Group’s assets resulting in a gain of approximately RMB3 million for the current financial year as compared to the loss of about RMB20.2 million for the previous financial year,

(b) better results from the associates of the Group which contributed a profit of about RMB4 million for the current financial year instead of a loss of about RMB20.6 million for the previous financial year; and (c) the continued elevated currency exchange volatility in respect of HKD, RMB and USD which resulted in the recognition of net foreign exchange losses of approximately RMB51 million for the current financial year as opposed to a net foreign exchange gain of approximately RMB44.6 million for the previous financial year.

The Company is still in the process of preparing the annual results of the Group for the year ended 31 March 2021, the information as set out above is only based on the preliminary assessment by the Board on the information currently available to it, including the latest management accounts, which have not been finalised and are subject to audit or further review by the Company's auditor. The annual results of the Group for the year ended 31 March 2021 are expected to be published before the end of June 2021.

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, 23 June 2021

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.