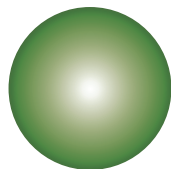


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元亨燃氣

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, despite the positive contributions from the Group's acquired LNG operations, based on the preliminary assessment of the Group's unaudited consolidated management accounts for the year ending 31 March 2015, the Group's consolidated operating profit for the year ending 31 March 2015, when compared to the Restated 2014 Comparative Figures, is expected to be lower, mainly due to higher purchase price of natural gas during the financial year, and temporary production suspension of LNG plants as a result of unexpected upstream and weather factors. In addition, the significant decrease in global oil and natural gas prices also lead to fierce competition of LNG sales in the industry, placing increased pressure on the Group's sale.

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, despite the positive contributions from the Group's acquired LNG operations, based on the preliminary assessment of the Group's unaudited consolidated management accounts for the year ending 31 March 2015 and the information currently available to the Board, the Group's consolidated operating profit is expected to be lower for the year ending 31 March 2015 from the Restated 2014 Comparative Figures (as defined hereafter).

Upon completion of acquisition of UHL Group by the Group, the Group's comparative figures for the year ended 31 March 2014 are to be restated, in accordance with the requirements under Accounting Guideline 5 "Merger Accounting for Common Control Combinations", to include the operating results of the UHL Group as if the current group structure had been inexistence throughout the year ending 31 March 2014 (the "**Restated 2014 Comparative Figures**").

The decrease in the operating profit for the year ending 31 March 2015 against the Restated 2014 Comparative Figures is principally attributable to (1) rise in the gas price at the gate gas stations for non-household usage by the PRC government in the relevant financial year, resulted in approximately 21% to 27% increase in cost of gas supply of the Group's two LNG processing plants and lower gross margin; (2) unexpected force majeure factors, such as the replacement of gas sources by upstream supplier and increased inventories due to road blocks under heavy snow weather, resulted temporary suspension in production of the respective LNG processing plants in end 2014 and February 2015 for period of approximately one month; (3) the adverse impact from the continuous downfall of the international oil and natural gas prices on the 2014 China LNG market, resulted LNG having less economic advantage in the PRC, with stiff competition in the LNG industry. The Group, in this regard, not only faced increased challenges in cost transferring but also lower sales revenue from its LNG processing plants.

Nevertheless, the latest policy states that the PRC government will significantly reduce gas price for additional natural gas in the near future to achieve price unification. The Board considers that the implementation of this policy will help the Group to reduce cost of gas supply of its LNG processing plants and improve gross profit of the Group.

Moreover, the Group is also actively seeking natural gas users including high-quality industry clients, which is expected to make positive contributions to profitability, business and operation of the Group. Through cooperation with local established and/or state-owned enterprises, the Group expands its LNG distribution network to land and water natural gas users, to strengthen and enhance the overall operation and financial position of the Group.

The Company will finalise the annual results of the Group for the year ending 31 March 2015 after the end of the financial year. 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 reviewed or audited by the Company's auditor). Details of further financial data will be disclosed in the annual results announcement of the Company for the year ending 31 March 2015.

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, 12 March 2015

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.