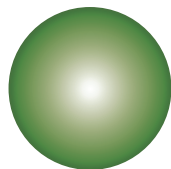


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元亨燃氣

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)

**SUPPLEMENTAL ANNOUNCEMENT
TO THE DISCLOSEABLE TRANSACTION IN RELATION TO
PROPOSED ACQUISITION INVOLVING THE ISSUE OF
CONSIDERATION SHARES UNDER GENERAL MANDATE**

Reference is made to the discloseable announcement of the Company dated 22 September 2015 (the “**Announcement**”) in relation to the proposed acquisition of the entire issued share capital in Billion Fortune Developments Limited involving the issue of consideration shares under general mandate. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Board wishes to provide addition information in relation to certain terms of the Acquisition Agreement and the asset reorganization of the Target Company to be completed by the Vendor as follows:

ASSETS TO BE ACQUIRED

The asset reorganisation referred to in the section headed “The Acquisition Agreement — Assets to be acquired” set out in the Announcement involves the delivery, transfer, assignment and/or novation of 6 shipbuilding agreements and 3 sales agreements of liftboats entered into by the Vendors, and all other relevant agreements and documents in relation to the aforesaid shipbuilding agreements and sales agreements.

Upon completion of the asset reorganisation, the Target Company will become the contracting party to the 6 shipbuilding agreements and the 3 sales agreements, which the Target Company will also become entitled to (i) the deposits of approximately US\$13.5 million paid by the Vendor under the shipbuilding agreements and (ii), the deposits of approximately US\$24.5 million received by the Vendor from customers under the sales agreements. The Target Company will also have liabilities of (i) US\$13.5 million due to the Company, being the amount of the Shareholder Loan which is part of subject asset under the transaction, and (ii) US\$24.5 million due to customers arising from the deposits received under the sales agreements.

The Target Company is expected to take delivery of the six liftboats currently being constructed by stages in 2016 and 2017 where three of these liftboats will be sold to the purchasers under the 3 sales agreements. It is intended that the remaining 3 liftboats will be chartered out to potential hirers so that the Target Company will receive a steady income stream in future. The Target Company will principally be engaged in the owning, trading and chartering of liftboats after completion of the asset reorganisation.

BASIS OF CONSIDERATION

The consideration was determined after arm's length negotiations between the Purchaser, the Company and the Vendor. In determining the consideration, the Directors had taken into consideration:

- (i) the agreements, including the shipbuilding agreements, the sales agreements and relevant terms under such arrangements;
- (ii) prevailing market information available to the Company in relation to the liftboats industry, including the market chartering dayrates, market outlook, industry norm and practices and etc;
- (iii) the knowledge and expertise from the existing management;

Having regard to the potential gains arising from the sales agreements, the average market dayrates for chartering liftboats, the market outlook and the compensation undertakings by the Vendor, the Directors' consider that the consideration is fair and reasonable and in the interest of the Company and its shareholders as a whole.

COMPENSATION UNDERTAKING

Pursuant to the Acquisition Agreement, the Vendor and Guarantor agree to compensate the Company if the actual net profits of the Target Company for the five financial years between 1 April 2016 to 31 March 2021 fails to reach the following amount on a dollar-to-dollar basis:

Financial year	Actual net profits (US\$)
1 April 2016 to 31 March 2017	29,184,000
1 April 2017 to 31 March 2018	18,620,000
1 April 2018 to 31 March 2019	19,304,000
1 April 2019 to 31 March 2020	20,035,500
1 April 2020 to 31 March 2021	20,805,000

In determining the actual net profits of the Target Company from 1 April 2016 to 31 March 2021 under the compensation undertakings ("**Undertaken Profits**"), the Company had taken into consideration the level of profits and costs in connection with the completion of the sales agreements and the chartering of the three liftboats which the Target Company will own with projections provided by the Vendor after taking into account the market average of chartering fees and incomes of similar liftboats. The actual net profits refer to the profits after tax (excluding those not arising from the ordinary course of business) in the audited financial statements of the Target Company for each of the financial year under the compensation undertaking.

The Third Batch Consideration Shares, which forms part of the consideration to the Proposed Acquisition, shall be allotted and issued to the Vendor in five equal installments, each with 18,954,000 Shares, within 7 business days upon the consolidated financial statements of the Target Company having been audited by an independent auditor and issued with actual net profits of not less than the Undertaken Profits for that particular financial year.

In the event that the actual net profits for a particular financial year cannot meet the Undertaken Profits for that year, the Company shall not require to allot and issue the installment of the Third Batch Consideration Shares for that particular year to the Vendor.

CLARIFICATION

The Company notes there is an inadvertent typographical error on page 10 in the definition of the term “Share Subscribers” of the Announcement, the definition:

“Share Subscribers” Xu Yushan, Pengda SP and Roy Group Investment Limited

should have been stated as:

“Share Subscribers” Xu Yushan, Pengda Value Fund SPC and Chief Approach Limited

Save as disclosed in this announcement, the remaining contents of the Announcement remain unchanged.

By the order of the Board of
YUAN HENG GAS HOLDINGS LIMITED
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 29 September 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.