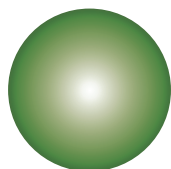


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元亨燃氣

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)

**VOLUNTARY ANNOUNCEMENT:
COOPERATION AGREEMENT WITH
QUJING GAS CO., LIMITED**

This announcement is made by Yuan Heng Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors of the Company (the “**Board**”) is pleased to announce that on 23 September 2016 (after trading hours), Guangzhou Yuanheng Gas Co., Limited* (廣州元亨燃氣有限公司) (“**Guangzhou Yuanheng**”), a wholly-owned subsidiary of the Company and Qujing Gas Co., Limited* (曲靖市燃氣集團有限公司) (“**Qujing Gas**”) entered into a cooperation agreement (the “**Agreement**”) in relation to the project of liquefied natural gas (“**LNG**”) supply for Yunnan cooper and zinc industry users in Maguan County, Wenshan, Yunnan Province, the PRC (the “**Project**”).

PRINCIPAL TERMS OF THE AGREEMENT

Pursuant to the Agreement, Qujing Gas shall be responsible to supply LNG to the industrial users located in Qujing region, Yunnan Province, invest in the facilities of the gasification station of the Project, manage the gas transmission business of gas supply units on a daily basis and provide maintenance and repair to the gas supply facilities. Qujing Gas shall also be responsible for collecting the monthly LNG payment from the industrial users.

Guangzhou Yuanheng shall be responsible for the gas purchase and transmission according to the pricing formula set out in the Agreement and ensuring timely, safe and sufficient transmission to the gas supply point.

The parties to the Agreement will share the net profit equally from the revenues after deducting the operation costs of Qujing Gas and the purchase/transportation costs of LNG of Guangzhou Yuanheng in accordance with the profit sharing formula set out in the Agreement.

REASONS FOR AND BENEFITS OF THE AGREEMENT

Qujing Gas is a sino-foreign jointly owned enterprise of Yunnan Petrochemical Gas Co., Ltd.* (雲南石化燃氣有限公司). Yunnan Petrochemical Gas Co., Ltd. is an investment holding company under Yunnan Investment Group Co., Ltd.* (雲南省投資控股集團有限公司). Qujing Gas has nineteen member units, with eight franchise areas and a number of investment construction projects, including: LNG peak regulation reserve station, LNG storage and distribution stations, LNG cylinder stations, LNG/CNG transmission stations, LNG vehicular refilling stations, city-gas, etc., providing natural gas services to residential, commercial, vehicle and industrial users.

To the best of the knowledge and belief of the Board, having made all reasonable enquiries, Qujing Gas and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The LNG business of the Group covers the whole South-west region. The cooperation with Qujing Gas in respect of LNG trading and the Project allows the Company to enhance its business coverage in the South-west market so as to boost the growth in natural gas business.

The entering into of the Agreement is in line with the business of the Group and is in the interests of the Company and its shareholders as a whole.

GENERAL

The Company is an investment holding company and its subsidiaries and associates are principally engaged in the trading of oil and gas products and the provision of related consultancy services and processing, distribution, sales, trading and transportation of LNG and other auxiliary operations and networks in the PRC.

Given that the Agreement is of a revenue nature in the ordinary and usual course of business of the Group, it is exempted from the disclosure requirements under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is issued on a voluntary basis for keeping the shareholders of the Company and potential investors informed of the latest development of our business and operations.

By order of the Board
Yuan Heng Gas Holdings Limited
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 23 September 2016

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.

* *For identification purpose only*