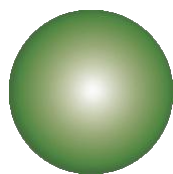


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元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED

元亨燃氣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

**UPDATE IN RELATION TO
DISCLAIMER OF OPINION IN THE ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2025**

References are made to the announcement dated 30 May 2025 (“**30 May 2025 Announcement**”) of Yuan Heng Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) regarding the disclaimer of opinion (“**Disclaimer of Opinion**”) expressed by the auditors of the Company (“**Auditors**”) on the consolidated financial statements of the Group contained in the Company’s annual report for the year ended 31 March 2024 (“**2024 Annual Report**”).

The board of directors (the “**Board**”) of the Company would like to provide updates in relation to the Disclaimer of Opinion expressed by the Auditors on the consolidated financial statements of the Group for the year ended 31 March 2025.

Disclaimer of Opinion

The Auditors has expressed the Disclaimer of Opinion on page 61 of the Company’s annual report for the year ended 31 March 2025 (“**2025 Annual Report**”) as follows: “*We do not express an opinion on the consolidated financial statements of the Group for the year ended 31 March 2025. Because of the significance of the matters described in the “Basis for Disclaimer of Opinion” section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinion on these consolidated financial statements.*” This is the second year that the Auditors has expressed a Disclaimer of Opinion since the financial year ended 31 March 2024.

Multiple uncertainties related to going concern

The basis for the Disclaimer of Opinion is “*multiple uncertainties related to going concern*” as more particularly set out on pages 62 of the 2025 Annual Report.

Measures to address the Disclaimer of Opinion

To address the multiple uncertainties related to going concerns, as set out in the 2024 Annual Report and the 2025 Annual Report, various measures were implemented or being implemented prior to the publication of the respective annual reports. As at the date of this announcement, all measures referred to as items (i) to (v) on pages 75 to 77 of the 2025 Annual Report are ongoing.

Optimizing the Group’s operational strategy to improve cash generating capacity and to reduce operating costs

In relation to optimizing the Group’s operational strategy to improve cash generating capacity and to reduce operating cost referred to in items (i), the relevant measures have begun to show their efficacies, and as a result, the unaudited operating loss from LNG production for the first quarter of the current financial year has declined significantly compared with the same period in the prior financial year. Management will continue to take action to improve the Group’s cash generating capacity as well as to turn around operating loss.

Enforcement

In relation to enforcement action referred to in item (ii), as a result of the Group’s ongoing negotiations and communications with its major creditors, there has been no enforcement action by the creditors which may lead to the Group’s loss of control over main subsidiaries or key assets essential to business operation as at the date hereof.

On 1 August 2025, a subsidiary of the Company received the judgement of second instance relating to a legal action that the subsidiary initiated against Guizhou Gas Group Corporation Ltd. (“**Guizhou Gas**”) for damage compensation in relation to Huaheng Energy Investments Co., Ltd. (“**Huaheng Energy**”), the background of which is set out in the Company’s announcement dated 18 November 2024. All claims raised by the subsidiary were rejected by the Higher People’s Court of Guizhou Province. The subsidiary is consulting with its PRC legal advisers about making an application to the Supreme People’s Court for a retrial. In the meantime, management has communicated the progress of the legal action and the possible application for a retrial with the relevant banks. The banks, noting that their enforcement against the subsidiary were only at a preliminary stage, have expressed their understanding over the latest legal development, and have indicated that they would not pursue the enforcement actions further or in any substantive way.

Litigations

In relation to the unsettled litigations referred to in item (iii), the Group has continued to seek professional advice with the aim of progressing the litigations to stages which are most advantageous for the Group to achieve negotiated settlements at relatively favourable terms.

Restructuring existing debts

In relation to restructuring existing debts through legal procedures referred to in item (iv), the Company has made an application to the High Court of Hong Kong for an order to convene a meeting of the Company's creditors for approving scheme of arrangement proposed by the Company, and the initial hearing took place on 17 June 2025, at which the Court ordered that the hearing be adjourned sine die with liberty to restore. For details, please refer to the Company's announcement dated 17 June 2025. Since then, the Company has been working closely with its professional advisers for restoring the hearing as soon as possible. In this regard, the Company will make an announcement as and when appropriate.

Potential strategic investors

In relation to exploring potential strategic investors referred to in item (v), the Company has signed a memorandum of understanding ("MOU") with a potential strategic investor. According to the MOU, the potential strategic investor has undertaken to support the Group's restructuring by providing financing support, procuring loan portfolios and other appropriate measures for alleviating the financial stress of the Group's operating entities in the PRC to enable these entities to generate a healthy cashflow, on terms subject to definitive documentation to be agreed upon and prepared.

The Company will make further announcements in relation to the matters set out above as and when appropriate.

On behalf of the Board
Yuan Heng Gas Holdings Limited
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 29 August 2025

As at the date of this announcement, the executive Directors are Mr. Wang Jianqing and Mr. Bao Jun; and the independent non-executive Directors are Dr. Leung Hoi Ming, Mr. Wong Siu Hung Patrick and Ms. Lin Ying.

** For identification only*