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中國基礎能源控股有限公司
China Primary Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8117)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the annual report of China Primary Energy Holdings Limited (the “**Company**”) for the year ended 31 December 2018 (the “**2018 Annual Report**”). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the 2018 Annual Report.

As disclosed in the 2018 Annual Report, on 12 February 2018, the Company entered into the Winmaxi Subscription Agreement with Winmaxi in relation to the issue and allotment of 93,089,767 Winmaxi Subscription Shares. Completion of the Winmaxi Shares Subscription has taken place on 9 March 2018. The gross proceeds from the Winmaxi Shares Subscription were approximately HK\$76.2 million. The purpose of this announcement is to provide you with additional information regarding the utilization of the proceeds.

Up to 31 December 2018, for the net proceeds of approximately HK\$75.9 million, the Group has utilized approximately HK\$75.2 million accounting for approximately 99% of the net proceeds from the Winmaxi Shares Subscription as follows:

Use of proceeds	Original allocation as stated in the announcements of the Company dated 12 February 2018 and 15 February 2018 Approximately HK\$ (million)	Utilized amount for the year ended 31 December 2018 Approximately HK\$ (million)	Unutilized amount for the year ended 31 December 2018 Approximately HK\$ (million)
Appropriate acquisition and potential investment opportunities of the Group and the considerations thereof and general working capital of the Group			
- Repayment pipeline construction costs of Wuhu China Primary Natural Gas Pipeline Company Limited [#] , a subsidiary of the Company	30.7	30.7	-
- Operation costs of the head office for the year ended 31 December 2018 (Note 1)	25.0	25.0	-
- Reserve of the Company for future expansion and investment opportunities (Note 2)	20.2	19.5	0.7
Total	75.9	75.2	0.7

Notes:

1. In relation to the operation costs of the head office for the year ended 31 December 2018, as to approximately HK\$12.0 million was utilized toward the operation costs and working capital of the PRC office for the year ended 31 December 2018 and as to approximately HK\$13.0 million was utilized toward the operation costs of Hong Kong head office for the year ended 31 December 2018.
2. In relation to approximately HK\$19.5 million utilized toward the expansion costs and expenses of the Group for the year ended 31 December 2018: (a) as to approximately HK\$7.0 million was applied toward the building and operating costs of Wuhu Shi Da New Energy Technology Company Limited[#], a subsidiary of the Company; (b) as to approximately HK\$3.0 million was applied toward the building and operating costs of Tengchong China Primary Energy Limited[#], a subsidiary of the Company; (c) as to approximately HK\$4.0 million was applied toward investment in Yichang City Yiling District China Primary Thermal Power Limited[#], a subsidiary of the Company; and (d) as to approximately HK\$5.5 million was applied toward expansion and investment costs in Huaining China Primary Energy Company Limited[#].

As at 31 December 2018, approximately 99% of the proceeds raised have been utilized as intended. The remaining unutilized proceeds of approximately HK\$0.7 million were for reserve of the Company for future expansion and investment opportunities and in view of the size amount, will transfer as operating capital of the Group and is expected to be fully utilized by the Group for operation costs during the year ending 31 December 2019. There is no material change between the intended use of proceeds and the actual use of proceeds.

By order of the Board
China Primary Energy Holdings Limited
Ma Zheng
Chairman

For identification purpose only

Hong Kong, 24 September 2019

As at the date of this announcement, the Board comprises Ms. MA Zheng and Mr. WONG Pui Yiu who are the executive Directors, Mr. JI Jianghua who is the non-executive Director, and Mr. WAN Tze Fan Terence, Mr. CHUNG Chin Keung and Mr. WANG Xiao Bing who are the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its posting and the Company's designated website at <http://china-p-energy.etnet.com.hk>.