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Zhonghua Gas Holdings Limited

(中華燃氣控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8246)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Reference is made to the annual report of Zhonghua Gas Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) for the year ended 31 December 2018 (the “**2018 Annual Report**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the 2018 Annual Report.

As disclosed in the 2018 Annual Report, the Company had successfully placed 56,000,000 new shares (i.e. 448,000,000 shares with par value of HK\$0.00125 each after the Share Subdivision on 20 May 2016) to four subscribers (the “**First Placing**”) at a subscription price of HK\$0.65 per new shares on 28 November 2014 and 80,000,000 new shares (i.e. 640,000,000 shares with par value of HK\$0.00125 each after the Share Subdivision on 20 May 2016) to one subscriber at the subscription price of HK\$0.95 per subscription share (the “**Second Placing**”) on 30 June 2015. The aggregate gross proceeds and net proceeds from the two placings are HK\$112,400,000 (equivalent to RMB88,835,000) and HK\$112,149,000 (equivalent to RMB88,638,000). The Company intended to use the net proceeds from the two placings as follows:

- (i) HKD25,500,000 (equivalent to approximately RMB20,127,000) for any potential investment opportunities as identified by the Group; and
- (ii) HKD86,649,000 (equivalent to approximately RMB68,511,000) as general working capital of the Group.

As at 31 December 2018, the Company utilized all of the proceeds HK\$86,649,000 (equivalent to RMB68,511,000) for general working capital in the operation of the Group.

In addition, as at 31 December 2018, the Group utilized approximately HK\$19,675,000 (equivalent to RMB16,200,000) out of the proceeds for potential investment for the establishment of a subsidiary in Tianjin in the second half of 2015.

The remaining net proceeds remained available for the intended use.

Further to the 2018 Annual Report, the Board wishes to provide the following supplemental information regarding the use of remaining proceeds pursuant to paragraphs 18.32(8) and 18.32A of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited.

The remaining net proceeds, being approximately HK\$5,825,000 (equivalent to RMB5,124,000), is expected to be fully utilized for potential investment opportunities as identified by the Group by 2023. The Group will continue to identify any further potential investment opportunities. Detailed schedule depends on the overall economic conditions, the development of the Company and market situation.

This announcement does not affect other information contained in the 2018 Annual Report, all other contents of the 2018 Annual Report remain true and accurate.

By Order of the Board
Zhonghua Gas Holdings Limited
Chan Wing Yuen, Hubert
Chief executive officer and executive Director

Hong Kong, 5 August 2019

As at the date of this announcement, the executive Directors are Mr. Hu Yishi, Mr. Chan Wing Yuen, Hubert, Ms. Lin Min, Mindy, Ms. Kwong Wai Man, Karina; and the independent non-executive Directors are Mr. Lui Tin Nang, Ms. Ma Lee and Mr. Lau Kwok Kee.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 www.hkgem.com and, in the case of this announcement, on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.8246hk.com.