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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)

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND CLOSURE OF REGISTER OF MEMBERS**

INTRODUCTION

The Board is pleased to announce that on 25 August 2023 (after trading hours), the Board has resolved to propose the adoption of the New Share Option Scheme for the approval by the Shareholders at the EGM to be convened by the Company.

THE PREVIOUS SHARE OPTION SCHEME

The Previous Share Option Scheme adopted by the Company on 12 December 2011 has been expired on the tenth anniversary of its adoption, i.e. 12 December 2021. No further options can be offered or granted upon the expiration of the Previous Share Option Scheme. Options granted prior to such expiry shall continue to be valid and exercisable in accordance with the rules of the Previous Share Option Scheme. As at the date of this announcement, there were 212,480,000 Options granted under the Previous Share Option Scheme which remain outstanding or unexercised.

The Board therefore proposes to adopt the New Share Option Scheme in accordance with Chapter 23 of the GEM Listing Rules.

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Stock Exchange published the consultation conclusions in July 2022, with certain amendments to Chapter 23 of the GEM Listing Rules relating to share schemes (including share option schemes and share award schemes). Such amendments took effect on 1 January 2023. In light of the above, the Board proposes to adopt the New Share Option Scheme.

The purpose of the New Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Eligible Participants and for such other purposes as the Board may approve from time to time, and to provide the Eligible Participants with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole. The New Share Option Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency and attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group.

The provisions of the New Share Option Scheme shall constitute a share scheme and shall comply with the requirements of Chapter 23 of the GEM Listing Rules.

The adoption of the New Share Option Scheme will take effect on the date of its adoption at the EGM and is conditional upon: (a) the GEM Listing Committee granting the approval for the listing of, and permission to deal in any new Shares which may fall to be allotted and issued by the Company upon the exercise of Options that may be granted under the New Share Option Scheme; and (b) the passing of an ordinary resolution at the EGM the adoption of the New Share Option Scheme and authorising the Directors to grant Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any Option granted under the New Share Option Scheme.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 11 September 2023 to Thursday, 14 September 2023 (both dates inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the EGM, all relevant transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Friday, 8 September 2023 for registration.

EGM

The EGM will be convened to consider and, if thought fit, approve the adoption of the New Share Option Scheme and termination of the Previous Share Option Scheme. A circular of the Company containing, among others, (i) details relating to the adoption of the New Share Option Scheme; (ii) the principal terms of the New Share Option Scheme; and (iii) a notice convening the EGM is expected to be despatched to the Shareholders in accordance with the requirements of the GEM Listing Rules in due course.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Zhonghua Gas Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of considering and, if thought fit, approving the adoption of the New Share Option Scheme and the termination of the Previous Share Option Scheme
“Eligible Participant”	(a) the Employee Participant(s); and (b) the Service Provider(s), provided that the Board may have absolute discretion to determine whether or not one falls within the above categories
“Employee Participant”	the director(s) and employee(s) (whether full-time or part-time) of the Company or any of its subsidiaries (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with the Group)
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“New Share Option Scheme”	the Company’s share option scheme proposed to be approved and adopted by the Shareholders at the EGM
“Option”	a right granted to a grantee pursuant to the New Share Option Scheme, which right permits (but does not obligate) such grantee to subscribe for Shares
“Previous Share Option Scheme”	the previous share option scheme adopted and approved by the sole shareholder of the Company on 12 December 2011

“Service Provider(s)”	person(s) who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent contractor, agent, consultant or adviser to any area of business or business development of the Group, but exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services providers such as auditors or valuers
“Share(s)”	the ordinary share(s) of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 25 August 2023

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 Ms. Ma Lee, Mr. Lau Kwok Kee and Ms. Qin Xuwen.

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 of Hong Kong Limited 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 Listed Company Information” 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.