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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)

GRANT OF SHARE OPTIONS

This announcement is made by Zhonghua Gas Holdings Limited (the “**Company**”) pursuant to Rule 23.06A of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”, and each a “**Director**”) of the Company (together with its subsidiaries, the “**Group**”) hereby announces that on 11 December 2023, the Company offered to grant 366,688,000 share options (the “**Options**”) to 19 eligible participants (the “**Grantees**”) to subscribe for ordinary shares of HK\$0.00125 each (the “**Shares**”) in the share capital of the Company under the share option scheme adopted by the Company on 14 September 2023 (the “**Share Option Scheme**”), subject to the acceptance of the Options by the Grantees.

A summary of the grant of the Share Options is set out below:

Date of grant:	11 December 2023 (the “ Offer Date ”)
Acceptance period:	Within twenty-one (21) days from the Offer Date (including the Offer Date)
Number of shares in respect of which the Option is offered:	366,688,000 Shares

Exercise price:	HK\$0.16 per Share (subject to adjustment)
Number of options granted:	366,688,000 Options (each Option shall entitle the Grantees to subscribe for one Share)
Validity period:	Ten (10) years from the Offer Date
Vesting period:	Subject to other conditions imposed and the rules of the Share Option Scheme, the Options granted must be held by the Grantees for at least twelve (12) months before the Options can be exercised.
Other terms:	<p>The Option shall not be assignable.</p> <p>The Option holder shall be deemed to have notice of the provisions of the Share Option Scheme from time to time in force and irrevocably agrees to be bound thereby.</p>
Performance target:	Each of the Grantees is required to meet their performance assessment targets during the vesting period. The assessment criteria are based on certain operational indicators of the Group, as determined by the Board from time to time.
Clawback mechanism:	<p>Save as provided in the Share Option Scheme, the Options granted do not have additional clawback mechanism. The remuneration committee considers that the clawback mechanism provisions in the rules of the Share Option Scheme was sufficiently wide enough to protect the interest of the Company.</p> <p>According to the rules of the Share Option Scheme, except for termination of employment with the relevant member(s) of the Group by reason of death, permanent disability, retirement at a relevant time under a retirement scheme applicable to the Group or by reason of resignation or the employee has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, an Option (to the extent not already exercised) shall lapse on the date of cessation of the employment if the Grantee ceases to be an executive officer for any reason (including that the company in which he/she is employed ceases to be a member of the Group) and shall not be exercisable unless the Board otherwise determines that such Option (or the remainder thereof) shall be exercisable for such period after the relevant date of the cessation as the Board may determine in its absolute discretion.</p>

For the avoidance of doubt, if a Grantee resigns after the vesting period, the portion of Options vested to him continues to be valid after the date of termination of his/her employment (until the end of the exercisable period). (Applicable to service providers) an Option (to the extent not already exercised and vested) shall lapse on the date of cessation of service if the Grantee ceases to provide services to the Group for any reason and shall not be exercisable.

If there is any judgment, decree or award which has not been implemented against the Grantee or the Board has reason to believe that the Grantee is insolvent or cannot reasonably be expected to pay its debts in the future, such Option (to the extent not already exercised) shall automatically lapse and become unexercisable. The Board shall be entitled to cancel any Option, in whole or in part, by giving a notice in writing to the Grantee stating that the relevant Option shall be cancelled with effect from the date specified in such notice for the following reasons:

- the Grantee breaches, permits a breach, attempts to breach or attempts to permit a breach of the transferability restrictions of the Options or any term or condition attached to the grant of the Options; or
- if, in the opinion of the Board, the Grantee has acted in any way that is harmful or detrimental to the interests of the Company and its subsidiaries.

Financial assistance: The Group has not provided any financial assistance to the Grantees for the purchase of Shares under the Share Option Scheme.

All of the Grantees are either Directors or employees of the Group. Among the Options granted above, 14,656,000 Options were granted to the following Directors and chief executive:

Name	Position	Number of Options granted
Mr. Hu Yishi (“ Mr. Hu ”)	Executive Director and Executive Chairman	3,664,000
Mr. Chan Wing Yuen, Hubert (“ Mr. Chan ”)	Executive Director and Chief Executive Officer	3,664,000
Ms. Lin Min, Mindy (“ Ms. Lin ”)	Executive Director	3,664,000
Ms. Kwong Wai Man, Karina (“ Ms. Kwong ”)	Executive Director and Chief Financial Officer	3,664,000

Save as disclosed in this announcement, none of other Grantees is a director, chief executive or substantial shareholder of the Company, or an associate (as defined under the GEM Listing Rules) of any of them.

Under Rule 23.04(1) of the GEM Listing Rules and the provision of the Share Option Scheme, each grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors. The grant of the Options to each of Mr. Hu, Mr. Chan, Ms. Lin and Ms. Kwong has been approved by all the independent non-executive Directors at the Board meeting on 11 December 2023.

After the grant of the Options, the number of Shares available for future grant under the Share Option Scheme is 5,600 Shares.

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

Hong Kong, 11 December 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 Mr. Wang Weijie.

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 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.