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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)

(1) PROPOSED SHARE CONSOLIDATION AND (2) PROPOSED CHANGE IN BOARD LOT SIZE

(1) PROPOSED SHAR CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every eight (8) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 4,737,624,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 592,203,000 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK$80,000,000 but will be divided into 8,000,000,000 Consolidated Shares of HK$0.01 each.

(2) PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 8,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 8,000 Existing Shares to 5,000 Consolidated Shares. Based on the closing price of HK$0.08 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the theoretical value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK$3,200 based on the theoretical closing price per Consolidated Share of HK$0.64.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation together with a notice convening the EGM is expected to be despatched to the Shareholders on or before Wednesday, 28 January 2026.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation, and therefore no Shareholders are required to abstain from voting on the resolution to approve the Share Consolidation at the EGM.

Shareholders and potential investors should take note that the Share Consolidation is conditional upon the satisfaction of the conditions set out in the paragraph headed "Conditions of the Share Consolidation" in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

(1) PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every eight (8) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK$80,000,000 divided into 64,000,000,000 Shares of par value of HK$0.00125 each, and there are 4,737,624,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 592,203,000 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK$80,000,000 but will be divided into 8,000,000,000 Consolidated Shares of HK$0.01 each.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

(i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

(ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and

(iii) the compliance with all relevant procedures and requirements under the applicable laws of Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the above conditions, the effective date of the Share Consolidation is expected to be on Tuesday, 24 February 2026, being the second Business Day immediately after the date of the EGM. As at the date of this announcement, none of the conditions above had been fulfilled.

Listing Application

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid.

Other securities of the Company

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

(2) PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 8,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 8,000 Existing Shares to 5,000 Consolidated Shares.

Based on the closing price of HK$0.08 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the theoretical value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK$3,200 based on the theoretical closing price per Consolidated Share of HK$0.64.

For the avoidance of doubt, the proposed Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. If the Share Consolidation does not become effective, the proposed Change in Board Lot Size will not become effective and the Shares will continue to be traded on the Stock Exchange in board lot of 8,000 Shares.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated in September 2024 has further stated that (i) market price of the shares at a level less than HK$0.10 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules, and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$2,000.

As at the date of this announcement, the closing price of the Existing Share is HK$0.08 per Share, with a board lot size of 8,000 Shares, the existing board lot value is only HK$640, which is less than HK$2,000. In view of the recent trading prices of the Existing Shares at the level of below HK$0.10 and board lot value of below HK$2,000, Directors resolved to propose the Share Consolidation and Change in Board Lot Size with the view to complying with the trading requirements under the Listing Rules. The Directors considered that the Share Consolidation and Change in Board Lot Size would bring about a corresponding upward adjustment in the market price of the Consolidated Shares which would enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Consolidated Shares. Assuming that the Share Consolidation and the Change in Board Lot Size has become effective, based on the closing price of HK$0.08 per Existing Share (equivalent to the theoretical closing price of HK$0.64 per Consolidated Share) as at the date of this announcement, the estimated new board lot value would be HK$3,200.

The Share Consolidation and the Change in Board Lot Size will reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since many banks/securities houses will charge minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange, the Board believes that investment in the Consolidated Shares would become more attractive to a broader range of investors, thereby improving the liquidity of the Consolidated Shares and further broadening the shareholder base of the Company.

The Board believes that the Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above reasons, the Company considers the Share Consolidation and the Change in Board Lot Size are justifiable to achieve the above-mentioned purposes notwithstanding the potential costs and impact arising from creation of odd lots to Shareholders. Taking into account the potential benefits and the insignificant amount of costs to be incurred, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

Although the Share Consolidation and the Change in Board Lot Size may lead to the creation of odd lots of Shares owned by the Shareholders, the Company will designate an agent to stand in the market to provide matching services for odd lots of Shares for a period of not less than three weeks, which is expected to effectively alleviate the difficulties caused by the creation of odd lots of Shares.

Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interest of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plan to carry out other corporate actions which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size in the next 12 months. While the Company is exploring possible fundraising activities and investment opportunities, no material contract has been entered as at the date of this announcement. The Board cannot rule out the possibility that the Company will conduct debt and/or equity fundraising exercises when suitable fundraising and/or investment opportunities arise in order to support, among others, working capital requirements and future development of the Group. The Company will make further announcement(s) in this regard in accordance with the GEM Listing Rules as and when appropriate.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lots trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, a designated broker will be appointed by the Company to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the matching service will be provided in the circular of the Company to be dispatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lots trading arrangement, is recommended to consult his/her/its own professional advisers.

Free exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation having become effective, Shareholders may during the period from Tuesday, 24 February 2026 to 4:30 p.m. on Wednesday, 1 April 2026 (both days inclusive) submit existing share certificates for the Existing Shares in light blue to the Company's share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong in exchange for new share certificates for the Consolidated Shares in yellow at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.5 (or such other amount as may be allowed by the Stock Exchange from time to time) by the Shareholders for each share certificate for the Existing Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Monday, 30 March 2026, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares will cease to be valid for delivery, trading and settlement purposes, but will remain good evidence of legal title.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Time and Date
	2026
Despatch date of circular with notice of EGM	On or before Wednesday, 28 January
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Tuesday, 10 February
Closure of the register of members of the Company (both days inclusive)	Wednesday, 11 February to Friday, 20 February
Latest date and time for lodging the proxy form for the EGM	10:00 a.m. on Friday, 13 February
Record date	Friday, 20 February
Date and time of the EGM	10:00 a.m. on Friday, 20 February
Publication of announcement on poll results of the EGM	Friday, 20 February

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation and the Change in Board Lot Size as set out in this announcement. Subject to the above, the following timetable, including but not limited to, the effective date of the Share Consolidation, will remain unchanged even if that day is a severe weather trading day

Effective date of the Share Consolidation	Tuesday, 24 February
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 24 February
Commencement of dealings in Consolidated Shares	9:00 a.m. on Tuesday, 24 February
Original counter for trading in the Existing Shares in board lots of 8,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 24 February

Event	Time and Date
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 24 February
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Tuesday, 10 March
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Tuesday, 10 March
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares.	9:00 a.m. on Tuesday, 10 March
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares.	4:00 p.m. on Monday, 30 March
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 30 March
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Monday, 30 March
Last day and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares.	4:30 p.m. on Wednesday, 1 April

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation together with a notice convening the EGM is expected to be despatched to the Shareholders on or before Wednesday, 28 January 2026.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation, and therefore no Shareholders are required to abstain from voting on the resolution to approve the Share Consolidation at the EGM.

Shareholders and potential investors should take note that the Share Consolidation is conditional upon the satisfaction of the conditions set out in the paragraph headed "Conditions of the Share Consolidation" in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

"Board"	the board of Directors
"Business Day"	any day (other than a Saturday or Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Change in Board Lot Size"	the change in board lot size of the Shares for trading on the Stock Exchange from 8,000 Existing Shares to 5,000 Consolidated Shares
"Company"	Zhonghua Gas Holdings Limited (stock code: 8246), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange

"Consolidated Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company after the Share Consolidation becomes effective
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
"Existing Share(s)"	ordinary share(s) of HK$0.00125 each in the existing share capital of the Company before the Share Consolidation becomes effective
"GEM"	the GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"General Rules of CCASS"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Share(s)"	Existing Share(s) or Consolidated Share(s), as the case may be
"Share Consolidation"	the proposed consolidation of every eight (8) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
"Shareholder(s)"	the holder(s) of the issued Share(s) and/or the Consolidated Share(s), as the case may be
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"trading days"	means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time

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

Hong Kong, 6 January 2026

As at the date of this announcement, the executive Directors are Mr. Hu Yishi, Mr. Chan Wing Yuen, Hubert, Ms. Lin Min, Mindy and 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 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 HKEX Website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting. This announcement will also be posted on the website of the Company at www.8246hk.com.