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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 DISCLOSEABLE TRANSACTION IN RELATION TO PROJECT CONSTRUCTION INVESTMENT AGREEMENT

Reference is made to the announcement of Zhonghua Gas Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") in relation to the Project Construction Investment Agreement dated 30 April 2026 (the "**Announcement**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide supplemental information in this announcement regarding further details of the Project, the basis in determining the Investment Participation Amount and the identities of the ultimate beneficial owners of Tianjin Jin Re New Energy.

FURTHER DETAILS OF THE PROJECT

Key construction milestones, estimated timeline and investment cost

The Project commenced construction work in May 2026 and, as at the date of this announcement, the land leveling work has been completed. It involves the following key milestones:

Key date	Event
May 2026	Commencement of construction works
October 2026	Completion of construction works
November 2026	Completion of construction inspection, verification and acceptance and transform from construction in progress to fixed assets
March to June 2027	Transfer of the fixed assets to the Project Company, completion of conversion into equity interests in the Project Company, and obtaining all necessary licences and start operations

The total investment amount of the Project is estimated to be approximately RMB397 million, with completion anticipated in the first half of 2027.

Roles and responsibilities of the Group and Tianjin Jin Re New Energy Group;

LNG Sales and Tianjin Jin Re New Energy are the only investors of the Project. LNG Sales will contribute RMB80 million as the Investment Participation Amount, and the remaining construction cost would be borne by Tianjin Jin Re New Energy Group.

During the construction stage of the Project, Tianjin Jin Re New Energy Group will be responsible for carrying out the construction works and obtaining all necessary permits and licenses. Tianjin Jin Re New Energy Group would provide progress updates to LNG Sales and arrange regular on-site inspections to ensure ongoing supervision and financial oversight of the Project. Upon commencement of operations, LNG Sales and Tianjin Jin Re New Energy Group will further negotiate and collaborate to explore potential LNG customers.

After conversion into equity interests of the Project Company, Tianjin Jin Re New Energy and LNG Sales will become the shareholders of the Project Company. The shareholding ratio will be determined based on the actual audited total investment amount and the contributions by the respective party. Assuming that the actual investment amount of the Project is equal to the current estimated total investment amount (i.e. RMB397 million), LNG Sales and Tianjin Jin Re New Energy would acquire

approximately 20.2% and 79.8% of the equity interests in the Project Company, respectively. The Project Company will not be consolidated into the Group's financial statements.

Identities of the ultimate beneficial owners of Tianjin Jin Re New Energy

Tianjin Jin Re New Energy is owned as to 50% by Song Jie, 20% by Wang Changlu, 10% by Zhang Ze, 10% by Tianjin Jin Re Heat Supply Group Company Limited* (天津市津熱供熱集團有限公司) ("**Jin Re Heat Supply Group**"), 5% by Li Ke and 5% Li Qiang, respectively. Song Jie is the general manager and a director of Jin Re Heat Supply Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Tianjin Jin Re New Energy and its ultimate beneficial owners is an Independent Third Party and not connected with the Group.

The Basis in Determining the Investment Participation Amount

The Group intends to participate in the Project to the fullest extent possible. According to the feasibility study report prepared by Tianjin Jin Re New Energy, the estimated total investment for the Project is approximately RMB397 million for the Project. After reviewing its available cash resources, the Group has determined that an Investment Participation Amount of RMB80,000,000 strikes an appropriate balance between its desire to participate in the Project and the need to retain sufficient working capital for its operations.

Pursuant to the Project Construction Investment Agreement, no interest will be charged by LNG Sales in respect of the Investment Participation Amount. The Group considers the Investment Participation Amount to be in the nature of a deposit or earnest money that secures the Group's participation in the Project and preserves its right to acquire equity interests in the Project Company. While Tianjin Jin Re New Energy may, at its sole discretion, invite third-party investors (including the Group) to participate, as at the date of this announcement, Tianjin Jin Re New Energy and LNG Sales are the only investors in the Project, and Tianjin Jin Re New Energy has no intention to invite any other investors.

By providing the Investment Participation Amount at the construction stage, the Group ensures that its percentage interest in the Project Company will be determined based on the actual capital contributed, rather than on a future valuation of the Project Company, which is expected to increase substantially upon commencement of operations. This structure enables the Group to secure and potentially maximize its equity stake in the Project Company on a cost-based basis.

As at the date of this announcement, Tianjin Jin Re New Energy did not enter into any agreement or arrangement with any connected persons of the Company.

To facilitate the conversion of the Investment Participation Amount into equity interests in the Project Company as soon as practicable, Tianjin Jin Re New Energy has undertaken to fulfill the Undertakings on or before the Completion Date. Failing such fulfillment, the parties will negotiate appropriate remedial measures, and Tianjin Jin Re New Energy shall grant LNG Sales a first right of refusal to participate in, or use its best endeavours to procure LNG Sales' participation in, other high-pressure natural gas pipeline projects undertaken by Tianjin Jin Re New Energy Group. Taking into account that LNG Sales is expected to acquire equity interests in the Project Company and to enjoy the economic benefits arising from the Project Company's operations, the Investment Participation Amount is non-interest-bearing, which the Group considers to be in line with market practice.

Instead of imposing penalty interest on Tianjin Jin Re New Energy in the event of its failure to fulfill the Undertakings on or before the Completion Date, the Group has negotiated for a first right of refusal to participate in other high-pressure natural gas pipeline projects undertaken by Tianjin Jin Re New Energy Group. Given that the Project is subject to supervision by relevant regulatory authorities, including but not limited to the Development and Reform Commission of Tianjin and the Tianjin Municipal Bureau of Planning and Natural Resources, the Group considers the risk of delay or non-fulfillment of the Undertakings to be relatively low. Furthermore, the Group considers the waiver of penalty interest, in exchange for a first right of refusal in other gas pipeline projects, to be part of its market development strategy and cost of securing new gas pipeline projects, which are relatively scarce in the Tianjin region. The Group therefore considers that the waiver of penalty interest in exchange for the first right of refusal is in the interest of the Company and its shareholders as a whole.

Regarding the credit assessment of Tianjin Jin Re New Energy, the Group notes that Tianjin Jin Re New Energy Group holds controlling equity interests in 8 companies and indirect equity interests in 12 companies, with total investments exceeding RMB100 million. Its principal businesses activities include gas operations, heating services, and related engineering construction and design. The Group had assessed the sufficiency of business operation and cashflows of Tianjin Jin Re New Energy Group and is of the review that it has sufficient business operations which generates stable cashflow.

In addition, the Group has conducted a credit assessment of the financial position of Tianjin Jin Re New Energy Group. The Group has reviewed latest unaudited financial statements of the members of the Tianjin Jin Re New Energy Group, which indicated that Jin Re Heat Supply Group maintained a net asset position and cash position of not less than RMB80 million prior to entering into the Project Construction Investment Agreement, and recorded a current ratio over 1.0. Based on the foregoing, the Board is therefore satisfied that Tianjin Jin Re New Energy Group is in a sound financial position and maintains sufficient liquidity to fulfill its payment obligations, including the potential refund of the Investment Participation Amount, if required.

The Group has also considered that Jin Re Heat Supply Group, established in 1998, is currently one of the major heating enterprises in the Tianjin region. Its heating services cover an aggregate area exceeding 80 million square meters and serve more than 400,000 fixed heat users. Jin Re Heat Supply Group's major business activities include the construction and operational management of heating infrastructure across multiple districts in Tianjin, including the urban districts, Beichen District, Xiqing District, Binhai New Area, and Jinghai District. As at the date of this announcement, Tianjin Jin Re New Energy Group does not have any other concurrent natural gas pipeline construction projects. Similar high-pressure natural gas pipeline projects are scarce in the Tianjin region and typically require a considerable period of time to progress from initiation to implementation. Nevertheless, since 2018, Tianjin Jin Re New Energy Group has undertaken and completed two LNG storage tank and pipeline projects in Xiqing District (Xinkou Town) and Binhai High-Tech Zone, as well as the heating supply project in the eastern region of Tuanbo, Jinghai District, Tianjin. The Directors are therefore of the view that Tianjin Jin Re New Energy Group is capable of, and will be able to, obtaining new high-pressure natural gas pipeline projects in the future.

The Company shall re-comply with the applicable requirements under Chapter 19 of the GEM Listing Rules upon any conversion of the Investment Participation Amount into equity interests in the Project Company, or upon the exercise of the first right of refusal to participate in any other high-pressure natural gas pipeline projects undertaken by Tianjin Jin Re New Energy Group.

Having taking into account that (i) Tianjin Jin Re New Energy Group's business operations and investment portfolio consist of businesses with stable cash flow; (ii) the Group has reviewed the financial position of Tianjin Jin Re New Energy Group, which revealed that Tianjin Jin Re New Energy Group has maintained sufficient liquidity to fulfill its payment obligations; and (iii) Jin Re Heat Supply Group's long operational history, previous projects, current scale of operational and market position, the Board is satisfied that the full Investment Participation Amount would remain recoverable, even in the unlikely event that Tianjin Jin Re New Energy fails to fulfill the Undertakings on or before the Completion Date.

Taking into account that (i) the Investment Participation Amount is intended for a potential acquisition of equity interests in the Project Company; (ii) LNG Sales is expected to enjoy the economic benefits arising from the Project Company's operations upon conversion of the Investment Participation Amount into equity interests in the Project Company; (iii) the waiver of penalty interest to be part of the Group's market development strategy and represents a cost of securing new gas pipeline projects; and (iv) the creditworthiness of Tianjin Jin Re New Energy Group as described above, the Directors are of the view that the terms of the Project Construction Investment Agreement are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 10 June 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.

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