*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of the Company.*

**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 SUBSCRIPTIONS OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Reference is made to the announcement of Zhonghua Gas Holdings Limited (the "**Company**") dated 20 October 2026 (the "**Announcement**") in relation to, among other things, the Subscriptions of the Convertible Bonds under the General Mandate. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

The Company would like to supplement the following information to further substantiate the reasons for and benefits of the Subscriptions and use of proceeds.

Prior to the entering into of the Subscription Agreements, as at 30 September 2026, the Group's cash and cash equivalents amounted to approximately RMB9,800,000, representing approximately 3% of the total assets of the Group.

## ALLOCATION OF USE OF PROCEED

The Company would like to provide a breakdown of the allocation of net proceeds from the issue of the Convertible Bonds of approximately RMB29,600,000 (translates to HK$34,566,880) as follows:

| **Proposed use of proceeds** | **Allocated amount of net proceeds** *approximate RMB* | **Expected timeline for fully utilising proceeds** |
|---|---|---|
| **Development of the Lao LNG Project** | | |
| — Acquiring land, leveling of land in the Lao Vang Vieng Tourism Development Zone, development of infrastructure and the related legal costs | 12,000,000 | By first half of 2027 |
| — Professional fees for planning and design of the Lao LNG Project | 2,000,000 | By first half of 2027 |
| — Staff cost, rental expenses and other office expenses for Lao LNG Project | 800,000 | By first half of 2027 |
| **General working capital, of which** | | |
| — Salaries and directors' fee | 7,000,000 | By first half of 2027 |
| — Rental expenses | 1,000,000 | By first half of 2027 |
| — Professional fees, including legal advisory, audit and company secretarial services expenses | 3,000,000 | By first half of 2027 |
| — Operating and other administrative expenses including listing fee, registrar service fee, financial printing, insurance, corporate annual fees and utilities expenses | 840,000 | By first half of 2027 |
| **Settlement of outstanding payables** | 2,960,000 | By 31 December 2026 |

## THE LAO LNG PROJECT

The Lao LNG Project is still at preliminary stage. As disclosed in the announcement of the Company dated 29 May 2026, the feasibility studies had been submitted to the Lao MOIC for review and approval. Subsequent to such submission, the Group engaged a professional planning and design consultant to undertake the planning and design of the project. However, the category of the concession right to be granted remains subject to the approvals of the Lao PDR Government and the Lao MOIC. Accordingly, the project timeline is indicative only and remains subject to the progress of the relevant approval procedures.

Based on the currently anticipated scale of the Lao LNG Project, the total capital requirement for the project is expected to be approximately RMB55 million. As at the date of this announcement, the Company has incurred expenditure of approximately RMB3 million in relation to the Lao LNG Project, primarily for feasibility studies, project planning and design, and staff costs.

The net proceeds of RMB14.8 million allocated to the initiation of the Lao LNG Project, including the first phase of land acquisition and infrastructure development, will be injected into the JV Company in stages by way of capital contributions from November 2026 onwards as funding needs arise, and are expected to be fully utilised by mid-2027. Set out below is the tentative development timeline of the Lao LNG Project:

| **Tentative timeline** | **Development stage** |
|---|---|
| November to December 2026 | Obtaining the concession right from the Lao Government[(note 1)] |
| December 2026 to January 2027 | Commencing the process of acquiring land located in the Lao Vang Vieng Tourism Development Zone and designated for the construction of the infrastructure in connection with the JV Company's business, the actual size of which depends on the land acquisition progress |
| January to June 2027 | Development of infrastructure on the acquired land |
| Second half of 2027 | — Further financing activities[*(note 2)*]<br>— Commencement of construction of fuel oil and gas related facilities |
| First quarter of 2028 | Completion of first stage of the Lao LNG Project |

*Notes:*

1. The concession rights in application to the Lao PDR Government are related to development of fuel oil and gas network, which *inter alia*, consist of construction of fuel oil and gas facilities (including pipelines, storage facilities and fuel/gas stations), supply of fuel oil and gas related products.

2. The JV Company's capital requirements for the construction and development of the Lao LNG Project are expected to be satisfied through future financing activities and/or internal sources of funding from LNG sales. Future financing activities may include, but not limited to: 1) bank borrowings secured by the land-use-right granted by the Lao PDR Government; and/or 2) debt financing or equity fundraising activities.

The Company will make further announcement(s) on the progress of the Lao LNG Project in accordance with the GEM Listing Rules as and when appropriate.

The Company expected to pay the accrued interest and if at the maturity of the Convertible Bonds and the Group is required to redeem the Convertible Bonds in full (assuming none of the Convertible Bonds have been converted), the Board will seek funding from (i) internal source, including but not limited to the cash generated from LNG sales; and (ii) external source by way of loans or fund-raising activities. The Board is of the view that, taking into account the above funding sources and the expected cash flow to be generated by the LNG sales, the Company will have the ability to pay interest on, and redeem, the Convertible Bonds at Maturity Date if they are not converted.

Prior to negotiating the issuance of the Convertible Bonds, the Company had explored the possibility of raising funds through an issue of new Shares. However, investors generally expected a discount to the prevailing market price for a subscription of new Shares under a general mandate. In contrast, the Subscribers were willing to accept a conversion price at a premium to the market price, but preferred to invest through Convertible Bonds, which offer interest income and flexibility as to whether and when to convert. The Company considered that, compared with an issue of new Shares at a discount, the issuance of Convertible Bonds at a conversion price premium would result in a lower potential dilution effect on the Shareholders while enabling the Company to raise a larger amount of capital. Having considered the recent share price of the Company, the initial Conversion Price of HK$0.88 per Conversion Share represents a premium of approximately 27.54% over the five-day average closing price and 17.33% over the closing price, immediately prior to the date of the Subscription Agreements. In addition, the terms and conditions are more favorable to the Company when compared with borrowing from other financial institutions, including but not limited to the interest rate of 8%. Taking into account the above, the Board is of the view that the issue of the Convertible Bonds is an appropriate fund-raising method, and is in the interests of the Company and its Shareholders as a whole.

## THE SUBSCRIPTION 1

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber 1 is wholly owned by the Guarantor.

## GENERAL

Save for the supplemental information disclosed in this announcement, all other terms of the Subscription Agreements remain unchanged and all the information contained in the Announcement remain unchanged.

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

Hong Kong, 4 November 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 "Latest Listed Company Information" page of The Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company's website at www.8246hk.com.*