中裕燃氣控股有限公司
ZHONGYU GAS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3633)

POSITIVE PROFIT ALERT

This announcement is made by Zhongyu Gas Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record approximately 70% increase in gross profits of the Company for the financial year ended 31 December 2018 ("**FY2018**") as compared to that for the previous year ("**FY2017**"). Such increase is mainly attributable to an increase in turnover which is primarily due to the significant increase in sales of piped gas to industrial customers and connection revenue under the implementation of the "coal-to-gas" conversion policy in the Mainland China. The Group is expected to record a foreign exchange loss of approximately HK$322,000,000 (2017: foreign exchange gain of HK$114,747,000) mainly arising from the Group's bank borrowings denominated in the United States dollars and Hong Kong dollars as a result of the depreciation of Renminbi since the second quarter of 2018. The Group is also expected to record equity-settled share option expenses of approximately HK$60,000,000 (2017: nil). Had the effect of such foreign exchange loss or gain and equity-settled share option expenses been excluded in both FY2018 and FY2017, the increase in profit attributable to owners of the Company for FY2018 could have been approximately over 100% as compared to that of FY2017.

The Group is still in the process of finalising the Group's annual results for FY2018. The information contained in this announcement is based only on the preliminary assessment by the Company of its unaudited consolidated management accounts for FY2018 and is not based on any figures or information audited or reviewed by the Company's independent auditor, and may be subject to amendments. As such, the above information is provided for the Shareholders' and potential investors' reference only. The Shareholders and potential investors are advised to refer to details in the annual results announcement of the Group for FY2018 which is expected to be published in March 2019.

Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
Zhongyu Gas Holdings Limited
Wang Wenliang
Chairman

Hong Kong, 12 March 2019

As at the date of this announcement, the Board comprises of Mr. Wang Wenliang (Chairman), Mr. Lui Siu Keung (Chief Executive Officer), Mr. Lu Zhaoheng, Mr. Li Yan and Mr. Jia Kun as the executive Directors, Mr. Xu Yongxuan (Vice-Chairman), as the non-executive Director and Mr. Li Chunyan, Dr. Luo Yongtai and Ms. Liu Yu Jie, as the independent non-executive Directors.