

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zhonghua Gas Holdings Limited (the "Company"), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 DECLARATION OF FINAL DIVIDEND**
- (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**
- (3) PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES**
- (4) REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Function Room Unicorn and Phoenix, Basement Two, The Charterhouse Causeway Bay Hong Kong, 209-219 Wanchai Road, Wanchai, Hong Kong on 28 June 2019 (Friday) at 10:00 a.m., is set out on pages 16 to 21 of this circular. Whether or not you propose to attend the meeting, you are advised to complete the form of proxy attached to the notice of the annual general meeting in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE

The GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on the GEM.

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DEFINITIONS

In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Function Room Unicorn and Phoenix, Basement Two, The Charterhouse Causeway Bay Hong Kong, 209-219 Wanchai Road, Wanchai, Hong Kong on 28 June 2019 (Friday) at 10:00 a.m. (Hong Kong time) or any adjournment thereof;
“Articles of Association”	the articles of association of the Company, as amended and supplemented from time to time;
“Board”	the board of Directors or a duly authorised committee thereof;
“close associate(s)”	has the same meaning ascribed to it in the GEM Listing Rules;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended and supplemented from time to time;
“Company”	Zhonghua Gas Holdings Limited (中華燃氣控股有限公司) (stock code: 8246), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM;
“Controlling Shareholders”	has the same meaning ascribed to it in the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“Existing Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 1 June 2018 to allot, issue and deal with Shares in aggregate not exceeding 20% of the total number of issued Shares as at 1 June 2018;
“Existing Repurchase Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 1 June 2018 to repurchase Shares in aggregate not exceeding 10% of the total number of issued Shares as at 1 June 2018;

DEFINITIONS

“Existing Scheme Mandate Limit”	349,952,000 Shares, being the maximum number of Shares that may be allotted and issued pursuant to the exercise of Share Options, which was approved at the annual general meeting of the Company held on 1 June 2018;
“GEM”	The GEM of the Stock Exchange;
“GEM Listing Rules”	Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“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;
“Latest Practicable Date”	6 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular;
“Memorandum”	the memorandum of association of the Company, as amended and supplemented from time to time;
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Proposed Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares in aggregate not exceeding 20% of the total number of issued Shares as at the date of passing of relevant resolution granting such proposed issue mandate;
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme;
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares in aggregate not exceeding 10% of the total number of issued Shares as at the date of passing of relevant resolution granting such proposed repurchase mandate;

DEFINITIONS

“Retiring Directors”	Ms. Lin Min, Mindy, Mr. Lui Tin Nang and Ms. Ma Lee;
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Share Options, which shall mean (i) in aggregate not exceeding 10% of the total number of issued Shares as at the date of the adoption of the Share Option Scheme; or (ii) if such limit in (i) above is to be refreshed thereafter, in aggregate not exceeding 10% of the total number of issued Shares as at the date of approval of the refreshed limit by the Shareholders;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time;
“Share(s)”	share(s) of nominal value of HK\$0.00125 each in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Shares;
“Share Options”	the share options granted under the Share Option Scheme to subscribe for Shares in accordance with the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution passed by the then sole Shareholder on 12 December 2011;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company;
“Substantial Shareholders”	has the same meaning ascribed to it in the GEM Listing Rules;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended and supplemented from time to time; and
“%”	per cent.



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)

Executive Directors:

Mr. Hu Yishi (*Executive Chairman*)
Mr. Chan Wing Yuen, Hubert (*Chief Executive Officer*)
Ms. Lin Min, Mindy
Ms. Kwong Wai Man, Karina (*Chief Financial Officer*)

Independent non-executive Directors:

Mr. Lui Tin Nang
Ms. Ma Lee
Mr. Lau Kwok Kee

Registered office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of
business in Hong Kong:*

23/F.
Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

14 May 2019

*To Shareholders and for information only,
holders of Share Options*

Dear Sir or Madam,

- (1) PROPOSED DECLARATION OF FINAL DIVIDEND**
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS
**(3) PROPOSED GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES**
**(4) REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME**
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding (i) the proposed declaration of final dividend; (ii) the proposed re-election of Retiring Directors; (iii) the grant to the Directors of the Proposed Issue Mandate; (iv) the grant to the Directors of the Proposed Repurchase Mandate and (v) the Proposed Refreshment and to give you notice of the AGM and seek your approval of the resolutions relating to these matters at the AGM.

LETTER FROM THE BOARD

PROPOSED DECLARATION OF FINAL DIVIDEND

As disclosed in the announcement of the Company dated 18 March 2019 (Monday), the Board recommended the payment of a final dividend of HK\$0.5 cents per Share for the year ended 31 December 2018. The proposed final dividend of HK\$0.5 cents per Share is subject to approval by the Shareholders at the AGM.

Subject to approval by the Shareholders at the AGM, the proposed final dividend will be paid on or before 15 August 2019 (Thursday) to the Shareholders whose names appear on the register of members of the Company on 17 July 2019 (Wednesday). The register of members will be closed from 17 July 2019 (Wednesday) to 19 July 2019 (Friday) for the purpose of determining the Shareholders who qualify for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on 16 July 2019 (Tuesday).

At the AGM, resolutions will be proposed for the Shareholders to approve the declaration of a final dividend for the year ended 31 December 2018.

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

According to the Article 84(1) of the Articles of Association, at each annual general meeting one-third of Directors for the time being (or, if the number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Accordingly, one of the executive Directors, Ms. Lin Min, Mindy and two of the independent non-executive Directors, Mr. Lui Tin Nang and Ms. Ma Lee, will retire from office by rotation at the AGM and, being eligible, offer themselves for re-election.

At the AGM, ordinary resolutions will be proposed to re-elect Ms. Lin Min, Mindy as an executive Director and Mr. Lui Tin Nang and Ms. Ma Lee as independent non-executive Directors.

The biographical details, interests in the Shares and the service contracts of each of Ms. Lin Min, Mindy, Mr. Lui Tin Nang and Ms. Ma Lee are set out in the Appendix I to this circular.

PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 1 June 2018, ordinary resolutions were passed granting the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the GEM Listing Rules, and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse if, inter alia, they are revoked or varied by ordinary resolutions of the Shareholders in general meeting.

Ordinary resolutions will be proposed at the AGM to revoke the Existing Issue Mandate and the Existing Repurchase Mandate respectively. Resolutions to consider, and if thought fit, to approve the Proposed Issue Mandate and the Proposed Repurchase Mandate respectively will also be proposed at the AGM.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the number of Shares in issue was 3,530,536,000. Subject to the passing of the respective resolution granting the Proposed Issue Mandate and the Proposed Repurchase Mandate, and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 706,107,200 Shares upon exercise of the Proposed Issue Mandate in full and to repurchase a maximum of 353,053,600 Shares upon exercise of the Proposed Repurchase Mandate in full, respectively.

With reference to the Proposed Issue Mandate and the Proposed Repurchase Mandate, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant thereto.

An explanatory statement required by the GEM Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in the Appendix II of this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

PROPOSED REFRESHMENT

The Share Option Scheme was adopted by the Company pursuant to the ordinary resolution of the then sole Shareholder on 12 December 2011. The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants thereunder for their contribution to the success of the Group's operations. Apart from the Share Option Scheme, the Company has no other subsisting share option scheme.

Under the Existing Scheme Mandate Limit, the number of Shares which may be issued upon the exercise of all Share Options granted or to be granted under the Share Option Scheme or other schemes of the Company is 349,952,000 Shares, representing 10% of the issued share capital of the Company as at 1 June 2018, being the date of passing of the relevant Shareholder's resolution approving the Existing Scheme Mandate Limit. Subject to prior approval by the Shareholders, the Company may, at any time, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the total number of issued Shares as at the date of such Shareholders' approval. Share Options previously granted under the Share Option Scheme (including, without limitation, those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Proposed Refreshment.

Up to 8 April 2019, a total number of 31,016,000 Share Options have been exercised pursuant to the Share Option Scheme. Since adoption and as at the Latest Practicable Date, there were outstanding Share Options to subscribe for 352,016,000 Shares, representing approximately 9.97% of the total number of issued Shares.

LETTER FROM THE BOARD

The Existing Scheme Mandate Limit was approved by the Shareholders on 1 June 2018, pursuant to which 349,952,000 Shares may be issued upon the exercise of all Share Options granted or to be granted under the Share Option Scheme of the Company. Subsequent to the approval of the Existing Scheme Mandate Limit and up to the Latest Practicable Date, no Share Options have been granted or exercised or cancelled or lapsed pursuant to the Existing Scheme Mandate Limit and there were outstanding Share Options to subscribe for 349,952,000 Shares pursuant to the Existing Scheme Mandate.

As at the Latest Practicable Date, the total number of Shares in issue was 3,530,536,000 Shares. Subject to the approval of the Proposed Refreshment and assuming no further Shares will be issued or repurchased prior to the AGM, the maximum number of Shares which may be issued upon the exercise of all Share Options to be granted pursuant to the Proposed Refreshment will be 353,053,600 Shares.

Pursuant to Rule 23.03(3) of the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time. As at the Latest Practicable Date, there were outstanding Share Options to subscribe for 352,016,000 Shares and yet to be exercised under the Share Option Scheme, representing approximately 9.97% of the total number of issued Shares. No option will be granted under the Share Option Scheme if this will result in the 30% limit being exceeded.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit to permit the granting of further Share Options so as to provide incentives to, and recognise the contributions of, the eligible participants. The Board therefore decided to seek the approval of the Shareholders at the AGM by poll to refresh the Scheme Mandate Limit. The Company considers that the Proposed Refreshment is in the interests of the Company and the Shareholders as a whole.

The Proposed Refreshment is conditional upon: (i) the passing of the necessary ordinary resolution by the Shareholders at the AGM to approve the Proposed Refreshment; and (ii) the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Share Options to be granted under the refreshed Scheme Mandate Limit.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Share Options to be granted under the Proposed Refreshment.

LETTER FROM THE BOARD

THE AGM AND PROXY ARRANGEMENT

A notice convening the AGM is set out on pages 16 to 21 of this circular.

The resolutions for, among others, the proposed declaration of final dividend, the proposed re-election of Retiring Directors, the grant to the Directors of the Proposed Issue Mandate, the grant to the Directors of the Proposed Repurchase Mandate and the Proposed Refreshment will be proposed at the AGM for your consideration and approval. All resolutions proposed at the AGM will be voted by poll. A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are advised to complete the form of proxy and return it to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions which will be proposed at the AGM.

The register of members of the Company will be closed from 25 June 2019 (Tuesday) to 28 June 2019 (Friday) (both days inclusive) during which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied with the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, not later than 4:30 p.m. on 24 June 2019 (Monday).

RECOMMENDATION

The Directors consider that the proposed declaration of final dividend, the proposed re-election of Retiring Directors, the grant to the Directors of the Proposed Issue Mandate, the grant to the Directors of the Proposed Repurchase Mandate and the Proposed Refreshment referred to in this circular are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the relevant resolutions proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

LETTER FROM THE BOARD

COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or Substantial Shareholders or their respective close associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 5:00 p.m. on Monday to Friday at the principal place of business of the Company in Hong Kong at 23/F., Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the AGM on 28 June 2019 (Friday):

1. the Memorandum and Articles of Association;
2. the annual report of the Company for the year ended 31 December 2018; and
3. the annual report of the Company for the year ended 31 December 2017.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
On behalf of the Board
Zhonghua Gas Holdings Limited
Chan Wing Yuen, Hubert
Chief executive officer and executive Director

This appendix sets out the information, as required to be disclosed by the GEM Listing Rules, on the Retiring Directors proposed to be re-elected at the AGM.

Ms. Lin Min, Mindy (林敏) (“Ms. Lin”)

Ms. Lin, aged 43, was appointed as an executive Director in August 2014. Ms. Lin is the spouse of Mr. Hu Yishi (“**Mr. Hu**”), an executive Director and the executive chairman of the Company. She is a member of the remuneration committee and the nomination committee of the Company and holds directorships position within the other members of the Group.

Ms. Lin was previously an executive director of Sheng Yuan Holdings Limited (stock code: 851), the shares of which are listed on the Stock Exchange.

Ms. Lin, graduated from the research programme on enterprise management of East China Normal University (華東師範大學) and the enterprise management programme of Shanghai Jingan District College (上海市靜安區業餘大學).

Ms. Lin has not entered into any service contract with the Company. Ms. Lin has not been appointed for a length of service with the Company and is subject to retirement by rotation and is eligible for re-election at the annual general meeting of the Company in accordance with the Articles of Association. Ms. Lin is entitled to a fixed remuneration of HK\$2,600,000 per annum and a fixed director’s fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Ms. Lin’s effort and expertise and is subject to review by the Board from time to time.

As at the Latest Practicable Date, Ms. Lin is deemed to be interested in 497,728,000 Shares, of which 448,000,000 Shares were held by Uprise Global Investments Limited, 18,688,000 Shares held by Gainup Limited respectively, both companies were wholly-owned by her and 31,040,000 Shares were beneficially owned by herself, which included 8,640,000 Shares to be allotted and issued upon exercise of share options granted to her, pursuant to Part XV of the SFO; and Mr. Hu is deemed to be interested in 469,640,000 Shares, of which 448,000,000 Shares were held by Smart Lane Global Limited, 13,000,000 Shares were held by Front Riches Investments Limited, both companies were wholly-owned by him and 8,640,000 Shares to be allotted and issued upon exercise of share options granted to him, pursuant to Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Ms. Lin (i) did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; (ii) did not own any interests in the Shares within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the appointment of Ms. Lin that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there is no other matter that needs to be brought to the attention of the holders of securities of the Company.

Mr. Lui Tin Nang (呂天能) (“Mr. Lui”)

Mr. Lui, aged 61, is an independent non-executive Director. He joined the Group in October 2014 and is the chairman of the audit committee, the remuneration committee and also the nomination committee of the Company.

Mr. Lui has years of experience in accounting, auditing, taxation, corporate finance and business advisory. He is the principal of T.N. Lui & Co., an accounting firm in Hong Kong. He is currently an independent non-executive director of Brilliant Circle Holdings International Limited (stock code: 1008) since March 2009, the shares of which are listed on the Stock Exchange.

Mr. Lui was previously an independent non-executive director of China Bio-Med Regeneration Technology Limited (now known as China Regenerative Medicine International Limited) (stock code: 8158), the shares of which are listed on the Stock Exchange.

Mr. Lui holds a bachelor's degree in Science from the University of Leeds and a master degree in Business Administration from the University of Bradford in the United Kingdom. In addition, Mr. Lui obtained a postgraduate diploma in Insolvency from the Hong Kong Institute of Certified Public Accountants. Mr. Lui is a fellow member of the Hong Kong Institute of Certified Public Accountants (Practising), the Institute of Chartered Accountants in England and Wales, The Society of Chinese Accountants and Auditors and an associate of The Chartered Institute of Management Accountants. He is also a fellow member and a certified tax adviser of The Taxation Institute of Hong Kong. He is also a member of the Institute of Certified Public Accountants in Australia.

Mr. Lui has entered into a letter of appointment with the Company on 1 October 2014. Mr. Lui is subject to retirement by rotation and is eligible for re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Lui is entitled to a fixed director's fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Mr. Lui's effort and expertise and is subject to review by the Board from time to time.

As at the Latest Practicable Date, Mr. Lui was deemed to be interested in 5,672,000 Shares pursuant to Part XV of the SFO, representing the Shares to be allotted and issued upon the exercise of Share Options granted to him.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lui (i) did not have any relationship with any Directors, senior management of the Company or Substantial Shareholders or Controlling Shareholders; (ii) did not own any interests in the Shares within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the appointment of Mr. Lui that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there is no other matter that needs to be brought to the attention of the holders of securities of the Company.

Ms. Ma Lee (馬莉) (“Ms. Ma”)

Ms. Ma, aged 54, is an independent non-executive Director. She joined the Group in October 2014 and is the member in each of the audit committee, remuneration committee and nomination committee of the Company.

Ms. Ma has years of experience in financial management and professional accounting. Having started her career as a professional accountant in an international accountancy firm, she has undertaken key financial management positions in companies engaged in different industries.

Ms. Ma was previously an independent non-executive director of Grandmass Enterprise Solution Limited (now known as Grand Peace Group Holdings Limited) (stock code: 8108) and the chief financial officer and company secretary of Shinhint Acoustic Link Holdings Limited (now known as Yuhua Energy Holdings Limited) (stock code: 2728), the shares of both companies are listed on the Stock Exchange.

Ms. Ma holds a bachelor's degree of Commerce from the Australian National University and a master degree of Business Administration from the Chinese University of Hong Kong. She has been practicing as a certified public accountant and is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Ms. Ma has entered into a letter of appointment with the Company on 1 October 2014. Ms. Ma is subject to retirement by rotation and is eligible for re-election at the annual general meeting of the Company in accordance with the Articles of Association. Ms. Ma is entitled to a fixed director's fee of HK\$200,000 per annum which was determined with reference to the prevailing market conditions, Ms. Ma's effort and expertise and is subject to review by the Board from time to time.

As at the Latest Practicable Date, Ms. Ma beneficially owned 2,240,000 Shares and was deemed to be interested in 3,432,000 Shares pursuant to Part XV of the SFO, representing the Shares to be allotted and issued upon the exercise of Options granted to her.

Save as disclosed above, Ms. Ma (i) did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders; (ii) did not own any interests in the Shares within the meaning of Part XV of the SFO; (iii) did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) did not hold other position with other members of the Group. Save as disclosed above, there is no information in relation to the appointment of Ms. Ma that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and there is no other matter that needs to be brought to the attention of the holders of securities of the Company.

This appendix contains the particulars that are required by the GEM Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the Proposed Repurchase Mandate.

(1) SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 3,530,536,000 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 353,053,600 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

(2) SOURCE OF FUNDS

Repurchases must be funded out of fund legally available for the purpose and in accordance with the Articles of Association and the laws of the jurisdiction in which the Company is incorporated or otherwise established.

(3) REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the prevailing market value, it would have a material adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited consolidated accounts of the Company for year ended 31 December 2018, being the date to which the latest published accounts of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

(4) SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 months immediately preceding the Latest Practicable Date:

Month	Price for Share	
	Highest HK\$	Lowest HK\$
2018		
May	0.350	0.230
June	0.425	0.295
July	0.395	0.305
August	0.395	0.305
September	0.380	0.325
October	0.380	0.280
November	0.340	0.250
December	0.300	0.260
2019		
January	0.300	0.255
February	0.300	0.250
March	0.390	0.270
April	0.335	0.290
May (up to and including the Latest Practicable Date)	0.335	0.300

(5) GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their close associates currently intend to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved. The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands. No core connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

In the event that the Directors shall exercise the Proposed Repurchase Mandate in full and assuming that there is no change in the issued share capital of the Company as at the date of passing of relevant resolution granting the Proposed Repurchase Mandate, there is no Shareholder whose shareholding will be increased to such an extent as will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise in full the power to repurchase Shares proposed to be granted pursuant to the Proposed Repurchase Mandate. As at the Latest Practicable Date, the existing public float of the Company is approximately 54.96%. If the Proposed Repurchase Mandate is exercised by the Company in full, the public float of the Company will be approximately 49.96%.

The GEM Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Zhonghua Gas Holdings Limited (the “**Company**”) will be held at Function Room Unicorn and Phoenix, Basement Two, The Charterhouse Causeway Bay Hong Kong, 209-219 Wanchai Road, Wanchai, Hong Kong on 28 June 2019 (Friday) at 10:00 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolutions (the “**Resolutions**” and each a “**Resolution**”):

ORDINARY RESOLUTIONS

1. To declare a final dividend (the “**Final Dividend**”) of HK\$0.5 cents per share of the Company for the year ended 31 December 2018 to the shareholders whose names appear on the register of members of the Company on 17 July 2019 (Wednesday).
2. To receive and consider the audited financial statements and the reports of the directors of the Company (the “**Directors**”) and auditors for the year ended 31 December 2018.
3.
 - (a) To re-elect Ms. Lin Min, Mindy as an executive director of the Company;
 - (b) To re-elect Mr. Lui Tin Nang as an independent non-executive director of the Company;
 - (c) To re-elect Ms. Ma Lee as an independent non-executive director of the Company; and
 - (d) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as auditors of the Company and authorize the Board to fix their remuneration.
5. “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the

NOTICE OF ANNUAL GENERAL MEETING

Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall be in addition to any other authorizations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the total number of issued Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares; and
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company;

shall not exceed 20% of the total number of issued Shares at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

NOTICE OF ANNUAL GENERAL MEETING

- (e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:-

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised) of the Cayman Islands (the **“Companies Law”**), or any other applicable laws of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Takeovers and Mergers and Share Buy-backs, and subject to and in accordance with the Companies Law and all other applicable laws and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the **“GEM Listing Rules”**), be and is hereby generally and unconditionally approved;
- (b) the total number of issued Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued Shares as at the date of passing of this Resolution and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
 - (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:-
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, any other applicable laws of the Cayman Islands to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon the passing of the Resolutions 4 and 5 as set out in the notice of this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares pursuant to the Resolution 4 above be and is hereby extended by the addition to the total number of issued Shares which may be allotted by the Directors pursuant to such general mandate an amount representing the total number of issued Shares repurchased by the Company under the authority granted pursuant to the Resolution 5 above, provided that such amount shall not exceed 10% of the total number of issued Shares at the date of passing of this Resolution.”
8. “**THAT** subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the share option scheme of the Company adopted on 12 December 2011 (the “**Share Option Scheme**”) representing 10% of the issued share capital of the Company as at the date on which this Resolution is passed, pursuant to the Share Option Scheme:
- (a) approval be and is hereby granted for refreshing the 10% limit under the Share Option Scheme (the “**Refreshed Scheme Mandate Limit**”) provided that the total number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the total number of issued Shares as at the date on which this Resolution is passed (options previously granted under the Share Option Scheme and

NOTICE OF ANNUAL GENERAL MEETING

any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit); and

- (b) Directors be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

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

Hong Kong, 14 May 2019

Notes:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a person or persons as his proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority, must be deposited at the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting, and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting, and in such event the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any Shares, any one of such persons may vote at the annual general meeting of the Company, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the annual general meeting personally or by proxy, that one of the said person as present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
5. For determining the entitlement to attend and vote at the annual general meeting of the Company, the register of members of the Company will be closed from 25 June 2019 (Tuesday) to 28 June 2019 (Friday) (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on 24 June 2019 (Monday).
6. For determining the entitlement of the Final Dividend, the register of members of the Company will be closed from 17 July 2019 (Wednesday) to 19 July 2019 (Friday) (both days inclusive), during which no transfer of shares of the Company will be registered. In order to qualify for the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on 16 July 2019 (Tuesday). The Final Dividend is expected to be distributed to those entitled on 15 August 2019 (Thursday).

NOTICE OF ANNUAL GENERAL MEETING

7. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the annual general meeting of the Company, the meeting will be postponed. The Company will post an announcement on the “Latest Company Announcements” page of the GEM website at www.hkgem.com to notify shareholders of the Company of the date, time and place of the rescheduled meeting.

As at the date of this notice, 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 Mr. Lui Tin Nang, Ms. Ma Lee and Mr. Lau Kwok Kee.

This notice, 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 notice 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 notice misleading.

This notice will remain on the GEM website at www.hkgem.com and, in the case of this notice, on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This notice will also be published on the Company’s website at www.8246hk.com.