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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)

**COMPLETION OF ISSUE OF THE CONVERTIBLE BONDS
UNDER GENERAL MANDATE**

Reference is made to the announcement of Zhonghua Gas Holdings Limited (the “**Company**”) dated 2 November 2020 in relation to the proposed issue of the Convertible Bonds in the aggregate principal amount of HK\$97,800,000 by the Company to the Subscriber under the General Mandate (the “**Announcement**”). Unless defined otherwise, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF ISSUE OF THE CONVERTIBLE BONDS

The Board is pleased to announce that all conditions precedent set out in the Subscription Agreement have been fulfilled and that the Completion took place on 16 November 2020, upon which the Convertible Bonds in the aggregate principal amount of HK\$97,800,000 (which entitles the Subscriber to subscribe for 362,222,222 Conversion Shares at the initial Conversion Price of HK\$0.27 per Share, subject to adjustments) were issued to and subscribed by the Subscriber pursuant to the terms and conditions of the Subscription Agreement, and none of the Convertible Bonds is converted as at the date of this announcement.

The approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange has been granted by the GEM Listing Committee.

Save that Mr. Hu Yishi (a substantial shareholder of Kai Yuan (the ultimate holding company of the Subscriber) holding 10.17% of its entire share capital, the Shareholder of approximately 28.73%, 1,040,640,000 Shares, of the entire issued share capital of the Company through direct or indirect interests, and an executive Director of the Company) and Ms. Lin Min, Mindy (the spouse of Mr. Hu Yishi and therefore deemed to be holding 10.17% of the entire share capital of Kai Yuan, the Shareholder of approximately 28.73%, 1,040,640,000 Shares, of the entire issued share capital of the Company through direct or indirect interests, and an executive Director of the Company) are connected persons (as defined in the GEM Listing Rules) of the Company, to the best of the Directors' knowledge, information and belief, the Subscriber and the ultimate beneficial owners of the ultimate holding company of the Subscriber are Independent Third Parties and not connected with the Company and its connected persons.

The net proceeds from the issue of the Convertible Bonds (after deducting all relevant expenses including but not limited to legal expenses) are estimated to be approximately HK\$97,500,000 and are intended to be used (i) as to 50% for general working capital of the Group and (ii) as to 50% for enhancement of the existing business of the Group as agreed between the Subscriber and the Company.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing and enlarged shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after the completion of the Subscription, assuming full conversion of the Convertible Bonds into the Conversion Shares and that there is no other change in the number of issued Shares from the date of this announcement up to the date when the conversion rights are exercised in full, is set out below:

	As at the date of this announcement		Immediately after full conversion of the Convertible Bonds at the initial Conversion Price	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Depot Up Limited (<i>Note 1</i>)	640,000,000	17.67%	640,000,000	16.06%
Mr. Hu Yishi (<i>Note 2</i>)	547,184,000	15.11%	547,184,000	13.73%
Ms. Lin Min, Mindy (<i>Note 3</i>)	493,456,000	13.62%	493,456,000	12.38%
Subscribers	0	0.00%	362,222,222	9.09%
Public Shareholders	<u>1,941,496,000</u>	<u>53.60%</u>	<u>1,941,496,000</u>	<u>48.73%</u>
Total	<u>3,622,136,000</u>	<u>100.00%</u>	<u>3,984,358,222</u>	<u>100.00%</u>

Notes:

1. Depot Up Limited is beneficially wholly-owned by Mr. Song Zhi Cheng as at the date of this announcement.
2. Mr. Hu Yishi owned the entire share capital of Front Riches Investments Limited and Yuan Rong Century Investment Holdings Limited, which owns the entire issued share capital of Smart Lane Global Limited, and which in turn held 99,184,000 Shares and 448,000,000 Shares respectively as at the date of this announcement. Ms. Lin Min, Mindy is the spouse of Mr. Hu Yishi.
3. Ms. Lin Min, Mindy owned the entire share capital of Uprise Global Investments Limited and Gainup Limited which in turn held 448,000,000 Shares and 23,056,000 Shares respectively. 22,400,000 shares were beneficially owned by Ms. Lin Min, Mindy as at the date of this announcement. Mr. Hu Yishi is the spouse of Ms. Lin Min, Mindy.
4. This scenario is shown for illustrative purpose only. The conversion of the Convertible Bonds is subject to the conversion restriction set out in note 5 below.

5. Pursuant to the terms of the Convertible Bonds, the conversion of the Convertible Bonds is subject to the condition that the allotment and issue of the Conversion Shares upon exercise of the conversion right will not cause the Company to be in breach of the minimum public float requirement stipulated under the GEM Listing Rules.

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

Hong Kong, 16 November 2020

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 Ms. Qin Xuwen.

This announcement, for which the Directors of Zhonghua Gas Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited 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 GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the day of its posting and on the website of the Company at <http://www.8246hk.com>.