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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)**

**PROFIT ALERT — REDUCTION IN LOSS**

This announcement is made by Zhonghua Gas Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the information currently available to the Board and the preliminary review of the relevant unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Current Year**”), the Group is expected to record a significant reduction in net loss after tax by approximately 98.2% from approximately RMB213.6 million for the year ended 31 December 2021 to approximately RMB3.7 million for the Current Year. Such expected decrease was mainly attributable to a reversal of allowance of impairment on trade receivables for approximately RMB29.4 million for the Current Year (2021: allowance of impairment on trade receivables for approximately RMB195.4 million), which was due to the recovery of certain long outstanding trade receivable balance in the fourth quarter of the Current Year; and offset by (i) fair value losses of convertible bonds of approximately RMB5.6 million for the Current Year (2021: fair value gains of approximately RMB8.7 million); and (ii) fair value losses of investment properties of approximately RMB0.9 million for the Current Year (2021: nil).

On the other hand, the revenue of the Current Year is expected to decrease by approximately 52.3% as compared to 2021 (from approximately RMB420.7 million for 2021 to approximately RMB200.5 million for the Current Year). Such decrease was due to the city lockdown policy of some locations in the People’s Republic of China in the

first half year of 2022, which led to a decrease in sales in certain liquefied natural gas (“LNG”) supply locations. In addition, gross loss of approximately RMB7.9 million (a gross loss margin of 4.0%) is expected to be recorded for the Current Year (2021: gross loss of approximately RMB7.0 million (a gross loss margin of 1.7%)) which due to the intense price competition and price fluctuation of LNG which led to a thin margin and that could not cover the fixed cost.

As the Company is still in the course of preparing the audited consolidated financial results of the Group for the Current Year, the information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the Current Year and the information currently available to the Board as at the date hereof. The unaudited consolidated management accounts of the Group for the Current Year and such information have neither been confirmed nor audited by the auditors of the Company or the audit committee of the Company and may be subject to amendments. Shareholders and potential investors of the Company are advised to read carefully the audited annual results announcement of the Company for the Current Year when it is published in accordance with the GEM Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 28 February 2023

*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 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 GEM website at [www.hkgem.com](http://www.hkgem.com) and, in the case of this announcement, on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at [www.8246hk.com](http://www.8246hk.com).*