
LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of a letter from the Independent Board Committee setting out its recommendation for the purpose of inclusion in this circular.



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)

6 June 2025

To the Independent Shareholders

Dear Sirs or Madams,

**(1) CONNECTED TRANSACTION
LOAN CAPITALISATION INVOLVING
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(2) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

We refer to the circular dated 6 June 2025 issued by the Company (the “**Circular**”) to the Shareholders of which this letter forms part. The capitalised terms defined in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

We have been appointed as the members of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Loan Capitalisation Agreement and the transactions contemplated thereunder are: (i) fair and reasonable; (ii) on normal commercial terms or better; (iii) conducted in the ordinary and usual course of business of the Group; (iv) in the interests of the Company and the Independent Shareholders as a whole; and (v) to advise the Independent Shareholders how to vote at the EGM.

Altus Capital Limited has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Loan Capitalisation Agreement and the transactions contemplated thereunder. The letter of advice from Altus Capital Limited containing their recommendation and the principal factors they have taken into account in arriving at their recommendation is set out on pages 16 to 37 of the Circular.

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We wish to draw your attention to the letter from the Board, as set out on pages 14 to 15 of the Circular and the text of a letter of advice from the Independent Financial Adviser, as set out on pages 16 to 37 of the Circular, both of which provide details of the terms of the Loan Capitalisation Agreement and the transactions contemplated thereunder. After taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we concur with its views and consider that although the entering into of the Loan Capitalisation Agreement is not conducted in the ordinary and usual course of business of the Company, the terms of the Loan Capitalisation under the Loan Capitalisation Agreement are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

Yours faithfully
For and on behalf of
the Independent Board Committee of
Zhonghua Gas Holdings Limited

Ms. Ma Lee
*Independent non-executive
Director*

Mr. Lau Kwok Kee
*Independent non-executive
Director*

Mr. Wang Weijie
*Independent non-executive
Director*