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## **BEIJING GAS BLUE SKY HOLDINGS LIMITED**

**北京燃氣藍天控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Hong Kong Stock Code: 6828)**

**(Singapore Stock Code: UQ7)**

### **SUPPLEMENTAL ANNOUNCEMENT**

#### **ON THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

Reference is made to the annual report (the “**Annual Report**”) for the year ended 31 December 2016 (the “**Year**”) of Beijing Gas Blue Sky Holdings Limited (the “**Company**”), which was published on the respective websites of the Stock Exchange, SGX-ST and the Company on 26 April 2017. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Annual Report.

The Board would like to provide supplemental information to the Annual Report in respect of (a) the actual use of proceeds from the January 2016 Placement and the December 2016 Placement; and (b) the dilution impact on the Company’ shares (the “**Shares**”, each a “**Share**”) in the event that all outstanding convertible securities were converted as at 31 December 2016.

## NET PROCEEDS USED FOR GENERAL WORKING CAPITAL

As disclosed in page 26 of the Annual Report, the net proceeds used for general working capital of (a) HK\$151.7 million from the January 2016 Placement and (b) HK\$22.1 million from the December 2016 Placement, which have been utilised in details as following:

	<b>January 2016 Placement</b> <i>(HK\$ in million)</i>	<b>December 2016 Placement</b> <i>(HK\$ in million)</i>
(1) Working capital for trading business	47.7	–
(2) Finance cost	34.6	0.7
(3) Staff costs	32.0	16.0
(4) Professional fees	17.8	–
(5) Rent and Rates	5.2	2.6
(6) Other administrative expenses	14.4	2.8
<b>Total:</b>	<b>151.7</b>	<b>22.1</b>

## DILUTION IMPACT ON THE SHARES IN THE EVENT THAT ALL OUTSTANDING CONVERTIBLE SECURITIES WERE CONVERTED AS AT 31 DECEMBER 2016

As disclosed in page 21 of the Annual Report, the Company has issued various convertible bonds. As at 31 December 2016, the outstanding principal amount of all convertible bonds was HK\$531 million and based on the conversion price of the respective convertible bonds, a maximum number of 1,060,729,684 Shares would be allotted and issued upon exercise of the conversion rights attaching to the outstanding convertible bonds in full, which represent approximately 11.01% of the then existing issued share capital of the Company as at 31 December 2016, and approximately 9.92% of the issued share capital of the Company as enlarged by the issue of the Shares upon the conversion of all the outstanding convertible bonds. Upon full exercise of the conversion rights attaching to the outstanding convertible bonds, the shareholdings of Beijing Gas Co. Ltd and Mr. Cheng Ming Kit, the substantial shareholders of the Company, will be diluted from 27.45% and 12.06% respectively to 24.72% and 10.86% respectively of the issued share capital of the Company as enlarged by the issue of the Shares upon the conversion of all the outstanding convertible bonds. Based on the profit for the year ended 31 December 2016 amounted to approximately HK\$99,876,000, the basic and diluted earnings per share attributable to the owners of the Company were HK1.28 cents and HK1.28 cents respectively.

During the Year, the Group has a net profit of approximately HK\$85,295,000. As at 31 December 2016, the Group had a total surplus of HK\$93.7 million and net current assets of HK\$313.7 million. The Company does not require repaying all the convertible bonds at one time as the maturity dates of the various convertible bonds are different. Based on the financial position of the Group, to the best knowledge of the Company, the Company expects that it will be able to meet its redemption obligations under the outstanding convertible bonds issued by the Company. The current price of the Shares mostly are higher than the conversion price of the various convertible bonds, the Company believes that there will be more advantageous and beneficial for such convertible bond holder to convert the convertible bonds into Shares rather than redeem the convertible bonds. Conversion price of all the convertible bonds will be subject to adjustment for consolidation or subdivision, capitalisation of profits or reserves, capital distribution, right issues, debt equity swap and other dilutive events, as the case may be, which may have impacts on the rights of the holders of the convertible bonds.

Additional information of the convertible bonds issued by the Company, including but not limited to, analysis on the financial and liquidity position of the Group and discussion on the ability of the Company to meet its redemption obligations under the convertible bonds are set out in the Notes 35 and 45(b) to the consolidated financial statements in pages 164 and 192 of the Annual Report, respectively.

The additional information above does not affect other information contained in the Annual Results Announcement and Annual Report, and the contents of the Annual Report remain unchanged.

By order of the Board  
**Beijing Gas Blue Sky Holdings Limited**  
**Cheng Ming Kit**  
*Co-Chairman*

Hong Kong, 19 September 2017

*As at the date of this announcement, the executive directors of the Company are Mr. Cheng Ming Kit, Mr. Sze Chun Lee, Mr. Hung Tao, Mr. Hu Xiaoming, Mr. Tam Man Kin and Mr. Li Weiqi; the non-executive director of the Company is Mr. Zhi Xiaoye; and the independent non-executive directors of the Company are Mr. Lim Siang Kai, Mr. Wee Piew, Mr. Ma Arthur On-hing and Mr. Pang Siu Yin.*

*If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.*