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CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

**VOLUNTARY ANNOUNCEMENT
ACCELERATION OF NATURAL GAS INVESTMENT DEPLOYMENT
IN RURAL AREAS OF NORTHERN CHINA
(INCLUDING BEIJING-TIANJIN-HEBEI REGION)**

This announcement is a voluntary announcement made by China Gas Holdings Limited (the “Company”, together with its subsidiaries, the “Group”).

China Ministry of Environmental Protection, National Development and Reform Commission, Ministry of Finance, National Energy Administration and the People’s Governments of Beijing Municipality, Tianjin Municipality, Hebei Province, Shanxi Province, Shandong Province and Henan Province of China issued the “2017 Plan on Air Pollution Prevention and Control Works in Beijing-Tianjin-Hebei and Surrounding Areas” (京津冀及周邊地區二零一七年大氣污染防治工作方案) on 17 February 2017. The plan states the acceleration of integrating construction in Beijing, Tianjin and Hebei, the implementation of major works of clean energy for heating in winter and the full enhancement of controlling the consumption of scattered coal among urban villages, rural-urban fringe zones and village areas. The coal-to-gas construction in “prohibited coal-burning area” has to be completed gradually.

In addition to performing the work of over 330 existing city gas projects for the production and operation of project construction, user connection, natural gas supply and value-added services, while facing the new and numerous rural markets of coal-to-gas conversion, the Group, through in-depth market research, thorough staff trainings for design, engineering and operation, and outstanding organizational coordination, has already entered into clean energy strategic cooperation framework agreements with ten cities in Northern China as of 31 August 2017, including Baoding, Langfang, Tianjin and Taiyuan. Projects such as coal-to-gas conversion in villages, transformation of coal-fired boilers into gas-fired in urban areas, facilities for vehicle-use natural gas, distributed energy and natural gas storage facilities as well as the construction of natural gas pipeline networks have commenced.

As of 31 August 2017, the Group has already signed contracts to convert 2,100,000 households from coal to natural gas in the villages in the Northern China and has completed the connection work for 600,000 users among them.

The Group believes that the conversion from coal to gas in China embraces significant room for market development, while stringent environmental protection measures in China, such as haze prevention and air pollution control, have also brought along extensive development opportunities to the utilization of natural gas. By accelerating market expansion and project construction establishment, the Group is set to secure greater corporate and social benefits.

By order of the Board
China Gas Holdings Limited
ZHOU Si
Chairman

Hong Kong, 20 September 2017

As of the date of this announcement, Mr. ZHOU Si, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Mr. MA Jinlong and Ms. LI Ching are the executive directors of the Company; Mr. YU Jeong Joon (his alternate being Mr. KIM Yong Joong), Mr. LIU Mingxing, Mr. Arun Kumar MANCHANDA and Mr. JIANG Xinhao are the non-executive directors of the Company; and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. WONG Sin Yue Cynthia, Mr. HO Yeung and Ms. CHEN Yanyan are the independent non-executive directors of the Company.

* *For identification purpose only*