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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

ENTERING INTO COOPERATION FRAMEWORK AGREEMENT WITH CNOOC GAS AND POWER GROUP CO., LIMITED

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

The board of directors (the “**Board**”) of the Company is pleased to announce that CNOOC Gas and Power Group Co., Limited (the “**CNOOC Gas and Power Group**”) has entered into a strategic cooperation framework agreement (the “**Cooperation Framework Agreement**”) with the Company. Both parties agreed that the cooperation between the parties in the related field of natural gas will be conducive to exploit their respective advantages and jointly promote the development of the entire industrial chain of natural gas, so as to achieve complementary advantages, mutual benefit and common development.

Under the Cooperation Framework Agreement, both parties agreed to cooperate in the following areas:

(i) **Vehicle and vessel refilling projects**

1. Vessel refilling station projects

Both parties agreed to use their respective resources to jointly build vessel refilling stations; CNOOC Gas and Power Group will leverage on its advantages of liquefied natural gas (“**LNG**”) receiving terminals and resources to promote the development and cooperation, and the Group will support the projects with its advantages in planning sites, ports and resources.

2. *Vehicle refilling station projects*

Both parties agreed that they may select appropriate existing vehicle refilling projects of the Group to carry out equity cooperation, and may seek for cooperation on new projects in vehicle refilling business at the same time. Regarding the vehicle refilling projects for equity cooperation between both parties, CNOOC Gas and Power Group will secure and provide resources for the cooperative vehicle refilling projects under the principle of market-oriented pricing of resources for the demand in the regions covered by the infrastructure of CNOOC Gas and Power Group.

(ii) Other downstream projects

In addition to vehicle and vessel refilling projects, the parties will select high-quality downstream projects, which include but not limited to city gas, rural coal-to-gas replacement, industrial park gas supply, coal-fired boiler renovation, LNG point-to-point supply, co-generation, and distributed energy. Both parties will discuss and carry out in-depth cooperation in various forms. Both parties agreed to set up five joint ventures in Shandong Province, Hebei Province, Hainan Province, Guangdong Province and Jiangsu Province by the end of September in 2018 to promote the penetration and construction of the downstream projects with the joint ventures as the investment entities.

The parties agreed that, with regards to meeting the gas demand of the equity cooperative downstream projects, CNOOC Gas and Power Group will secure and provide resources for at least 50% of the demand of downstream projects in the regions covered by its infrastructure under the principle of market-oriented pricing of resources. Other than the above-mentioned demand with secured gas supply, the Group may (i) continue to purchase resources from CNOOC Gas and Power Group under the market-oriented principle; (ii) purchase other domestic resources on its own, but shall, under the same conditions, preferentially purchase resources from CNOOC Gas and Power Group; (iii) adopt the centralized purchase mode adopted by CNOOC Gas and Power Group; or (iv) organize international resource procurement by itself, and CNOOC Gas and Power Group may arrange a certain window period for the qualified LNG receiving terminals owned or operated by them in China, in order to provide resource processing services.

(iii) Intermodal transportation projects for LNG tank containers

Both parties agreed to establish an intermodal transportation joint venture for LNG tank containers, and the Group is responsible for the professional logistics management and operation. Leveraging on the resource advantages of CNOOC Gas and Power Group, and by fully capitalizing the layout of downstream projects and the logistics system advantages of the Group, both parties will jointly promote the investment, construction and operation of the intermodal transportation projects for LNG tank containers and expand the presence of the downstream market.

Information about CNOOC Gas and Power Group

CNOOC Gas and Power Group is a wholly-owned subsidiary of China National Offshore Oil Corporation Limited (“CNOOC”), and is responsible for the centralized operation and management of the natural gas and power generation segment of CNOOC. CNOOC Gas and Power Group has five core business segments: LNG receiving terminals, natural gas power generation, natural gas pipeline/pipe network, natural gas trading, and new energy for transportation. CNOOC Gas and Power Group has built an upstream and downstream integrated industrial chain based on the five core segments, and is an important national LNG and natural gas supplier.

Reasons and benefits for entering into the Strategic Cooperation Agreement

The Group believes that the cooperation with CNOOC Gas and Power Group will combine their respective advantages and resources, and therefore will have a positive strategic synergic effect on the parties in jointly promoting the development of natural gas industry chain in China. On one hand, CNOOC Gas and Power Group is able to use its LNG receiving terminals and resources’ advantages to supply and secure resources for the gas demand of the Group’s natural gas downstream projects (including the equity cooperative downstream projects); on the other hand, the Group is able to fully utilize its extensive national presence of its downstream projects and the advantages in the logistics system to further accelerate the expansion and integration of the natural gas market. The Group believes that the national green development concept of accelerating reform and innovation and developing clean energy will continue to promote the growth of the entire natural gas industry in the future. The multi-dimensional industrial layout and cooperation will play an important role in achieving the medium and long-term strategic objectives of the Group, thereby enabling the Group to achieve greater corporate and social benefits and create better value for its shareholders.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

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

Hong Kong, 30 August 2018

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. LIU Mingxing (his alternate being Ms. LIU Chang), Mr. JIANG Xinhao, Mr. Rajeev Kumar MATHUR and Mr. JO Jinho (his alternate being Mr. KWON Woonsang) are the non-executive directors of the Company; and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. WONG Sin Yue Cynthia, Ms. CHEN Yanyan and Mr. ZHANG Ling are the independent non-executive directors of the Company.

* *For identification purpose only*