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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

- (1) ENTERING INTO THE GUANGDONG PROVINCE GREATER BAY AREA CLEAN ENERGY PROJECT STRATEGIC COOPERATION AGREEMENT WITH THE GUANGDONG PROVINCIAL DEVELOPMENT AND REFORM COMMISSION**
- (2) ENTERING INTO STRATEGIC COOPERATION AGREEMENT WITH THE PEOPLE'S GOVERNMENT OF JIANGMEN CITY**
- (3) ENTERING INTO STRATEGIC COOPERATION FRAMEWORK AGREEMENT WITH THE PEOPLE'S GOVERNMENT OF ZHAOQING CITY**
- (4) ENTERING INTO THE QINGYUAN CITY CLEAN ENERGY PROJECT STRATEGIC COOPERATION AGREEMENT WITH THE PEOPLE'S GOVERNMENT OF QINGYUAN CITY**
- (5) ENTERING INTO INVESTMENT PROJECT COOPERATION AGREEMENT WITH THE INDUSTRY AND COMMERCE AND INFORMATION TECHNOLOGY BUREAU OF CONGHUA DISTRICT OF GUANGZHOU CITY**

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

The board of directors of the Company (the “**Board**”) is pleased to announce that the Company recently entered into the Guangdong Province Greater Bay Area Clean Energy Project Strategic Cooperation Agreement (the “**Guangdong Greater Bay Area Strategic Cooperation Agreement**”) with the Guangdong Provincial Development and Reform Commission (“**Guangdong DRC**”), the strategic cooperation agreement (the “**Jiangmen Strategic Cooperation Agreement**”) with the People's Government of Jiangmen City, the strategic cooperation framework agreement (“**Zhaoqing**

Strategic Cooperation Agreement”) with the People’s Government of Zhaoqing City, and the Qingyuan City Clean Energy Project Strategic Cooperation Agreement (the **“Qingyuan Strategic Cooperation Agreement”**) with the People’s Government of Qingyuan City; meanwhile, Shenzhen China Gas Power Development Company Limited* (深圳市中燃電力發展有限公司), a wholly-owned subsidiary of the Company, entered into the investment project cooperation agreement (the **“Guangzhou Conghua Cooperation Agreement”**) with the Industry and Commerce and Information Technology Bureau of Conghua District of Guangzhou City (the above agreements are collectively referred to as the **“Agreements”**).

Pursuant to the Guangdong Greater Bay Area Strategic Cooperation Agreement, the Guangdong DRC agreed to regard the Group as an important partner of Guangdong Province in respect of the promotion of clean energy construction in the Greater Bay Area, and support the Group for the construction of clean energy supply projects by providing support in terms of project planning and setting, land use, sea use and other aspects. The Company and the Guangdong DRC agreed to cooperate in the following main areas:

(i) Replacement with gas in townships and liquefied petroleum gas (“LPG”) micro pipeline network projects

In order to increase the utilization rate of natural gas in the Greater Bay Area, the Guangdong DRC supports the Group to fully engage in the “gas construction in beautiful villages and township gasification” campaign in the Greater Bay Area, and to fully promote the construction of gas infrastructure in the townships and villages in the Greater Bay Area based on the “overall planning, staged implementation” approach.

The Group plans to promote the township gasification in the entire Greater Bay Area in the next five years, and to construct LPG micro pipeline networks in some rural areas, and strive to supply piped gas for 2 million rural residents; at the same time, the Group will actively participate in the construction of provincial-level modern agricultural industrial parks, accelerate the construction of natural gas pipeline network into the agricultural industrial parks in the Greater Bay Area, support the agricultural industrial parks to use natural gas and other clean energy, and enhance the utilization rate of natural gas in the Greater Bay Area.

(ii) Liquefied natural gas (“LNG”) receiving terminals projects

The Group will participate in the construction of new LNG terminals, receiving stations, and gas storage and peak-shaving facilities in Guangdong Province, and participate in the construction of natural gas pipeline network interconnection projects in the Greater Bay Area.

(iii) Thermoelectric and distributed energy projects

In order to improve the energy utilization efficiency in the Greater Bay Area, the Group will make use of its own technological advantages and advanced industry experience to promote distributed energy for cooling and heating as well as incremental power distribution network projects, and to actively construct ancillary energy supply systems based on the energy demand of users in terms of cooling, heating, electricity and gas.

(iv) New energy projects for transportation

Pursuant to the “Water LNG Development Plan along the Yangtze River, Pearl River and Xi River” issued by the Ministry of Transport and the “Implementation Opinions on Promoting the Vessel Emission Control Zone in the Waters of the Pearl River Delta in Guangdong Province”, the Group will participate in the construction projects of oil and gas refueling terminals for vessels along the Pearl River and Xi River, invest and construct no less than three LNG refueling stations for vessels, so as to assist in the improvement of the LNG refueling infrastructure for vessels in the Greater Bay Area. At the same time, the Guangdong DRC will support the Group in the investment and construction of LNG refueling stations, charging stations and hydrogen refueling stations for vehicles.

On the basis of the Guangdong Greater Bay Area Strategic Cooperation Agreement, the Jiangmen Strategic Cooperation Agreement, the Zhaoqing Strategic Cooperation Agreement, the Qingyuan Strategic Cooperation Agreement and the Guangzhou Conghua Cooperation Agreement further refine the particulars of the Group’s clean energy cooperation in various cities and districts, covering investment in the construction of township gasification and LPG micro pipeline network projects, thermoelectric and distributed energy projects, new energy projects for transportation, and the participation in the construction of natural gas pipelines, important branch pipelines, gas storage and peak-shaving facilities and other infrastructure in Zhaoqing City.

Reasons and benefits for entering into the Agreements

The Group believes that entering into the Agreements will reinforce its strategic layout of clean energy investment in the Greater Bay Area of Guangdong Province, promote the extensive use of clean energy in the Greater Bay Area, and achieve its medium and long-term strategic objectives, thereby enabling the Group to achieve greater corporate and social benefits and create better value for its shareholders.

Shareholders 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
LIU Ming Hui

Executive Chairman, Managing Director and President

Hong Kong, 16 October 2020

As at the date of this announcement, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Ms. LI Ching and Ms. LIU Chang are the executive directors of the Company, Mr. LIU Mingxing, Mr. JIANG Xinhao and Mr. Rajeev Kumar MATHUR are the non-executive directors of the Company and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. CHEN Yanyan and Mr. ZHANG Ling are the independent non-executive directors of the Company.

* *For identification purpose only*