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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)

**PLACING OF EXISTING SHARES
AND
SUBSCRIPTION FOR NEW SHARES
UNDER GENERAL MANDATE**

Joint Global Coordinators, Joint Bookrunners and Placing Agents



Joint Bookrunner



On 22 April 2021 (before trading hours), the Company, the Vendors, the Placing Agents and HSBC entered into the Placing Agreement, pursuant to which the Vendors have agreed to appoint the Placing Agents, and the Placing Agents have agreed to act as agents, for the purpose of procuring (as the placing agents of the Vendors) Placees for, on a best effort basis, a total of 392,000,000 Sale Shares at the Placing Price.

The Company and the Vendors also on the same date (before trading hours) entered into the Subscription Agreement, pursuant to which the Vendors have agreed to subscribe for, and the Company has agreed to issue to the Vendors, a total of 392,000,000 new Shares (equivalent to the number of Sale Shares actually placed by the Placing Agents pursuant to the Placing Agreement) at the Subscription Price.

The number of the Sale Shares represents: (i) approximately 7.52% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 6.99% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

The Placing Price represents: (i) a discount of approximately 9.0% to the closing price of HK\$32.70 per Share as quoted on the Stock Exchange on 21 April 2021, being the day prior to the date of the Placing Agreement; (ii) a discount of approximately 9.7% to the average closing price of approximately HK\$32.93 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement; and (iii) a discount of approximately 5.8% to the average closing price of approximately HK\$31.60 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Placing Agreement.

The gross proceeds from the Subscription are expected to be approximately HK\$11,662.0 million and the net proceeds (after deducting all applicable costs and expenses, including commission and levies) will be approximately HK\$11,601.8 million. The Company intends to apply the net proceeds from the Subscription in the manner detailed in the section headed “Reasons for the Placing and the Subscription and Use of Proceeds” in this announcement.

The Subscription Shares are to be issued under the General Mandate granted to the Directors pursuant to resolutions passed by the Shareholders on 20 August 2020. As such, the allotment and issue of the Subscription Shares is not subject to additional Shareholders’ approval.

Application will be made to the Stock Exchange for approval for the listing of, and permission to deal in, the Subscription Shares.

Completion of the transactions contemplated under the Placing Agreement and Subscription Agreement are subject to the satisfaction of conditions precedent thereunder and such agreements not being terminated in accordance with the terms thereof. Therefore, the Placing and/or the Subscription may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

PLACING

On 22 April 2021 (before trading hours), the Company, the Vendors, the Placing Agents and HSBC entered into the Placing Agreement, pursuant to which the Vendors have agreed to appoint the Placing Agents, and the Placing Agents have agreed to act as the agents, for the purpose of procuring (as the placing agents of the Vendors) Placees for, on a best effort basis, 392,000,000 Sale Shares at the Placing Price.

The Company and the Vendors have also on the same date (before trading hours) entered into the Subscription Agreement, pursuant to which the Vendors have agreed to subscribe for, and the Company has agreed to issue to the Vendors, 392,000,000 new Shares (equivalent to the number of Sale Shares actually placed by the Placing Agents pursuant to the Placing Agreement) at the Subscription Price (being the same as the Placing Price), in each case on the terms and conditions set out in the Placing Agreement and the Subscription Agreement.

PLACING AGREEMENT

The principal terms of the Placing Agreement are summarised below:

Date: 22 April 2021 (before trading hours)

Parties:

- (i) the Company
- (ii) Beijing Enterprises
- (iii) CGGL
- (iv) UBS (as Joint Global Coordinator, Joint Bookrunner and Placing Agent)
- (v) Goldman Sachs (as Joint Global Coordinator, Joint Bookrunner and Placing Agent)
- (vi) HSBC (as Joint Bookrunner)

The Vendors

As at the date of this announcement, each of Beijing Enterprises and CGGL holds 72,752,000 and 766,962,200 Shares, respectively, representing approximately 1.40% and 14.71%, respectively, of the total number of Shares in issue as at the date of this announcement.

The Placing Agents

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Placing Agents is an Independent Third Party.

Placees

It is expected that the Sale Shares will be placed to not less than six professional, institutional and/or other investors who are Independent Third Parties and are independent of, and not acting in concert with, any of the Vendors. It is not expected that any such investor will become a substantial shareholder of the Company as a result of the Placing.

Total number of the Sale Shares

The total number of the Sale Shares represents: (i) 7.51% of the total number of Shares in issue as at 20 August 2020 (being the date on which the General Mandate was passed by the Shareholders); (ii) approximately 7.52% of the total number of Shares in issue as at the date of this announcement; and (iii) approximately 6.99% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

The Sale Shares to be placed by the Vendors under the Placing are as set out as follows:

Vendor	Number of Sale Shares
Beijing Enterprises	72,000,000
CGGL	<u>320,000,000</u>
Total	<u><u>392,000,000</u></u>

Placing Price

The Placing Price represents: (i) a discount of approximately 9.0% to the closing price of HK\$32.70 per Share as quoted on the Stock Exchange on 21 April 2021, being the day prior to the date of the Placing Agreement; (ii) a discount of approximately 9.7% to the average closing price of approximately HK\$32.93 per Share as quoted on the Stock Exchange for the five consecutive trading days

immediately prior to the date of the Placing Agreement; and (iii) a discount of approximately 5.8% to the average closing price of approximately HK\$31.60 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares, the recent trading volume of the Shares and the prospects of the Group and was negotiated on an arm's length basis. The Board (including the independent non-executive Directors) considers that the Placing Price and the terms of the Placing Agreement are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

Completion of the Placing

Completion of the Placing is expected to take place on 26 April 2021, subject to the conditions set out in the Placing Agreement.

Conditions of the Placing

Completion of the Placing is conditional on the following conditions:

- (i) the Subscription Agreement having been entered into by the parties and not subsequently having been revoked, terminated or modified;
- (ii) there not having occurred at any time prior to completion of the Placing (i) any breach of, or any event rendering untrue, incorrect or breached in any respect, any of the representations, warranties or undertakings referred to in the Placing Agreement or (ii) any breach of, or failure to perform, any of the other obligations of the Company or the Vendors which are required to be performed at or before completion of the Placing;
- (iii) there not having occurred:
 - (A) any event, or series of events beyond the reasonable control of the Placing Agents (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, terrorism, outbreak or escalation of hostilities (whether local, national or international), act of war and act of God);
 - (B) any change, or development (whether or not permanent) involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group as a whole, whether or not arising in the ordinary course of business;
 - (C) any change (whether or not permanent) or any development (whether or not permanent) involving a prospective change or any crisis in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign

exchange markets, interbank markets and credit markets and conditions with respect to interest rates in Hong Kong or otherwise) or foreign exchange controls in or affecting Hong Kong or any occurrence of a combination of any such changes or developments or crises or any deterioration of any such conditions;

- (D) the introduction of any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority, or
- (E) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, Bermuda, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area (“EEA”) of a national emergency or war or other calamity or crisis; or
- (F) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, Bermuda, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

which individually or together, in the sole opinion of the Placing Agents, prejudices or is likely to prejudice materially the success of the Placing or dealings in the Sale Shares in the secondary market or makes it impracticable or inadvisable or inexpedient to proceed with the offer, sale, distribution or delivery of the Sale Shares on the terms and in the manner contemplated herein; and

- (iv) there not having occurred at any time prior to completion of the Placing (i) the imposition of any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, or in any securities of the Company on any stock exchange or over the counter market or (ii) any material disruption in securities settlement, payment or clearance services in Hong Kong or the PRC, the United Kingdom or the United States or (iii) the imposition of any moratorium on commercial banking activities by the authorities in Hong Kong or the PRC or the United Kingdom or the United States Federal or New York State authorities.

Termination of the Placing Agreement

If any of the conditions of the Placing shall not have been fulfilled or (alternatively) waived by the Placing Agents by completion of the Placing, the Placing Agents may elect, in their sole discretion, upon prior consultation with and written notice to the Vendors and the Company, to terminate the Placing Agreement at that time (or at such earlier time as the relevant condition shall have become incapable of fulfilment and the Placing Agents shall have determined not to waive fulfilment and notified the same to the Vendors and the Company).

Lock-up Arrangement

The Company undertakes to the Placing Agents that (except for the Subscription Shares to be allotted and issued to the Vendors pursuant to the Subscription Agreement and except for any issue of or agreement to issue any options, shares or securities in connection with the share option scheme(s) or share award scheme(s) of the Company) from the date hereof and on and prior to the date being 90 days after the date of the Placing Agreement it will not (without the prior written consent of the Placing Agents, such consent not being unreasonably withheld or delayed by any Placing Agent) (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

THE SUBSCRIPTION

The principal terms of the Subscription Agreement are summarised below:

Date: 22 April 2021 (before trading hours)

Parties: (i) the Company;
(ii) Beijing Enterprises; and
(iii) CGGL.

Subscription Shares

Each of Beijing Enterprises and CGGL has agreed to subscribe for, and the Company has agreed to issue to each of Beijing Enterprises and CGGL, 72,000,000 and 320,000,000 new Shares respectively, representing an equivalent of the number of Sale Shares actually placed by such Vendor pursuant to the Placing Agreement (on the assumption that the Placing Shares are fully placed), at the Placing Price and free from all liens, charges, security interests, encumbrances and adverse claims, in consideration for the payment of the Subscription Monies by the Vendors to the Company, subject to the terms and conditions of the Subscription Agreement.

The total number of the Subscription Shares represents: (i) 7.51% of the total number of Shares in issue as at 20 August 2020 (being the date on which the General Mandate was granted to the Directors by the Shareholders); (ii) approximately 7.52% of the total number of Shares in issue as at the date of this announcement; and (iii) approximately 6.99% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Subscription other than the issue by the Company of the Subscription Shares).

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in the share capital of the Company in issue at the date of allotment and will rank in full for all dividends and other distributions declared, made or paid at any time after the date of allotment.

Subscription Price

The Subscription Price is the same as the Placing Price. The aggregate nominal value of the Subscription Shares is HK\$3,920,000.

The Company will bear the costs and expenses of its own and the expenses of the Vendors incurred in connection with the Placing and the Subscription. The net share price for the Subscription after deduction of such expenses is estimated to be approximately HK\$29.60 per Subscription Share.

Conditions of the Subscription

Completion of the Subscription is conditional upon:

- (i) completion of the Placing;
- (ii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares; and
- (iii) where required, the executive director of the Corporate Finance Division of the SFC of Hong Kong or any delegate of such executive director granting a waiver from the obligations on the part of the Vendors and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Code on Takeovers and Mergers for all securities of the Company other than those already owned or agreed to be acquired by the Vendors and parties acting in concert with it as a result of the allotment and issue of the Subscription Shares.

Completion of the Subscription

In the event completion of the Subscription does not take place on or before the date which is 14 days from the date of the Subscription Agreement (or such later date, subject to the approval of the Stock Exchange, as may be agreed between the parties to the Subscription Agreement) then the Subscription Agreement and all rights and obligations thereunder shall cease and terminate.

Pursuant to Chapter 14A of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Placing Agreement, the Subscription will be regarded as a non-exempt connected transaction, and in such case, the Company would need to issue a separate announcement and circular and hold an extraordinary general meeting to seek the approval from the independent Shareholders before the Subscription can be proceeded.

GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate.

As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate and the number of new Shares that could be allotted and issued by the Company under the General Mandate is 521,856,297 Shares. As such, the allotment and issue of the Subscription Shares (namely 392,000,000 new Shares) is not subject to additional Shareholders' approval.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for approval for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is a gas operator and service provider principally engaged in the investment, construction and operation of city and town gas pipeline infrastructure facilities, gas terminals, storage and transportation facilities and gas logistics systems, transmission of natural gas and LPG to residential, industrial and commercial users, construction and operation of compressed natural gas/liquefied natural gas refilling stations; and development and application of technologies relating to natural gas and LPG in the PRC.

Business Development Focus

As a pioneer and leading gas operator and service provider in China, the Group has established a nationwide position in the gas utilities sector including city and town gas pipeline infrastructure facilities, gas terminals, storage and transportation facilities, and gas logistics systems, transmission of natural gas and LPG, construction and operation of compressed natural gas/liquefied natural gas refilling stations as well as development of related technologies. The Group is the largest gas distributor and service operator in China in terms of number of residential users for gas projects with over 44 million households as of 30 September 2020. The Group is also the largest vertically integrated service provider in LPG business in China.

With the transformation of China's energy mix towards clean, smart and comprehensive energy, the Group is entering a tipping point where 2021 is a pivotal year for the Group's next phase of growth. The Group will seize the industry development opportunities and step up efforts to develop new businesses that leverage upon the Group's large and diverse customer base, operating efficiency and engineering technology.

The Group's value-added services segment has been a direct beneficiary of the organic growth strategy and has delivered much value to customers by providing the Group's gas customers with an ecosystem and community for kitchen- and gas-related products and services.

The LPG Smart MicroGrid and distributed heating sectors are significant markets of the Group. The Group will achieve an accelerated deployment of the micro pipeline network through intensifying synergies with the Group's LPG business and utilising the Group's intellectual property, creating a win-win solution for rural customers. As of October 2020, the Group has entered into strategic agreements with provinces, cities and counties covering about 20 million households.

For distributed heating, the targeted addressable market is the economically vibrant areas near the Yangtze River and coastal areas of China (seven provinces and two municipalities with a population of about 600 million) where distributed heating remains underpenetrated. The Group has signed strategic agreements on distributed heating with over 34 cities across China. Moreover, relying on R&D accumulation and engineering knowhow in the energy field, the Group will continue to innovate and pioneer in the smart energy and new energy (including hydrogen and renewables) sectors.

In addition, in light of the emergence of numerous opportunities in the sector, the Group will continue to focus on pursuing selective acquisitions in the gas distribution sector in China, to realise synergies and create additional value for its Shareholders.

Use of Proceeds from the Placing

The Company believes that the Placing offers the Company a good opportunity to raise equity for its business developments as well as to optimise its capital structure. Further, the Company believes that it will be able to enrich its shareholder base by attracting a number of high calibre investors to participate in the Placing.

On the assumption that the Placing Shares are fully placed, the gross proceeds from the Subscription are expected to be approximately HK\$11,662.0 million. The Company estimates that the net proceeds of the Subscription (after deduction of the commissions and estimated expenses) will be approximately HK\$11,601.8 million. The Company intends to use the net proceeds from the Subscription for the following purposes:

- (i) acquisition of city gas projects in China;
- (ii) expansion of LPG Smart MicroGrid business;
- (iii) development of distributed heating business; and
- (iv) as general working capital of the Group.

The Directors (including the independent non-executive Directors) consider that the Placing and the Subscription will strengthen the capital base of the Company. The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing Agreement and Subscription Agreement, including but not limited to the Placing Price, are fair and reasonable and believe that the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE PLACING AND THE SUBSCRIPTION

The table (Note 1) set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and the Subscription, on the assumption that (a) the Placing Shares will be fully placed, (b) there will be no other change to the issued share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of the Subscription Shares; and (c) the Placees do not and will not hold any Shares other than the Sale Shares:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Beijing Enterprises Group Company Limited (“Beijing Enterprises Group”) and its entities (Note 2)	1,239,163,143	23.77	1,167,163,143	22.39	1,239,163,143	22.11
— Beijing Enterprises	72,752,000	1.40	752,000	0.01	72,752,000	1.30
— Other Beijing Enterprises Group entity	1,166,411,143	22.38	1,166,411,143	22.38	1,166,411,143	20.81
CGGL (Note 3)	766,962,200	14.71	446,962,200	8.58	766,962,200	13.69
Mr LIU Ming Hui (“Mr. LIU”) (other than via CGGL) (Note 4)	335,633,228	6.44	335,633,228	6.44	335,633,228	5.99
Mr CHIU Tat Jung Daniel (“Mr. CHIU”) (other than via CGGL) (Note 5)	221,815,435	4.26	221,815,435	4.26	221,815,435	3.96
Directors other than Mr LIU	182,183,200	3.50	182,183,200	3.50	182,183,200	3.25
Other existing Shareholders	2,466,611,766	47.32	2,466,611,766	47.32	2,466,611,766	44.01
Placees	—	—	392,000,000	7.52	392,000,000	6.99
Total	<u>5,212,368,972</u>	<u>100.00</u>	<u>5,212,368,972</u>	<u>100.00</u>	<u>5,604,368,972</u>	<u>100.00</u>

Notes:

1. This table does not take into account any interest in share options of the Company, and does not take into account any Shares that may be issued pursuant to the exercise of any share options of the Company during the relevant period.
2. Beijing Enterprises is a company listed in Hong Kong and ultimately controlled by Beijing Enterprises Group, a state-owned enterprise.
3. CGGL is owned as to 50% by Joint Coast Alliance Market Development Limited which, in turn, is wholly-owned by Mr. LIU. CGGL is also owned as to 50% by Fortune Oil PRC Holdings Limited (“**Fortune Oil PRC**”).
4. Mr LIU is the chairman, managing director and president of the Company. He is an executive Director. In addition to the deemed interest in the Shares held by CGGL, Mr LIU also beneficially owns 335,633,228 Shares.

5. In addition to the deemed interest in the Shares held by CGGL, Mr CHIU is also deemed to be interested in the following Shares: (a) 156,501,544 Shares beneficially owned by Fortune Oil PRC which is a wholly-owned subsidiary of Fortune Oil Limited (“**Fortune Oil**”). Fortune Oil is a wholly-owned subsidiary of Fortune Dynasty Holdings Limited (“**Fortune Dynasty**”) which is owned as to 70% by First Level Holdings Limited (“**First Level**”) and in turn owned as to 99% by Mr. Chiu; (b) 27,617,919 Shares beneficially owned by First Marvel Investment Limited which is a wholly-owned subsidiary of Fortune Oil; (c) 36,695,972 Shares beneficially owned by Fortune Oil Holdings Limited which is a wholly-owned subsidiary of Fortune Oil; and (d) 1,000,000 Shares beneficially owned by First Level.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not undertaken any equity fund raising exercise over the period of 12 months prior to the date of this announcement.

Completion of the transactions contemplated under the Placing Agreement and Subscription Agreement are subject to the satisfaction of conditions precedent thereunder and such agreements not being terminated in accordance with the terms thereof. Therefore, the Placing and/or the Subscription may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Beijing Enterprises”	Beijing Enterprises Holdings Limited, a company incorporated with limited liability under the laws of Hong Kong, shares of which are listed on the Main Board of the Stock Exchange, and ultimately controlled by Beijing Enterprises Group Company Limited, a state-owned enterprise
“Board”	the board of directors of the Company
“CGGL”	China Gas Group Limited, a company incorporated with limited liability under the laws of Hong Kong
“Company”	China Gas Holdings Limited, an exempted company incorporated with limited liability under the laws of Bermuda, shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the directors of the Company

“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 20 August 2020, pursuant to which the Directors has been authorised to allot, issue and deal with up to 521,856,297 new Shares, being 10% of the then issued share capital of the Company as at the date of passing such resolution
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C.
“Group”	the Company and its subsidiaries
“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“LPG”	liquefied petroleum gas
“Placee(s)”	any professional, institutional or other investor(s) whom the Placing Agents have procured to subscribe for any Sale Shares pursuant to the Placing Agreement
“Placing”	the placing of 392,000,000 existing Shares by the Vendors to independent Placees to be procured by the Placing Agents under the Placing Agreement
“Placing Agreement”	the placing agreement dated 22 April 2021 and entered into between the Company, the Vendors, the Placing Agents and HSBC
“Placing Agents”	UBS and Goldman Sachs
“Placing Price”	HK\$29.75 per Share
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Sale Shares”	an aggregate of up to 392,000,000 Shares to be placed by the Vendors pursuant to the Placing Agreement
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendors pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 22 April 2021 entered into between the Company and the Vendors
“Subscription Monies”	such sum as is the aggregate of the Subscription Price multiplied by the number of Subscription Shares less the relevant expenses incurred under the Placing and the Subscription
“Subscription Price”	HK\$29.75 per Subscription Share, being a price equal to the Placing Price
“Subscription Shares”	an aggregate of up to 392,000,000 new Shares to be issued by the Company and subscribed by the Vendors under the Subscription Agreement
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“UBS”	UBS AG Hong Kong Branch
“United States”	the United States of America
“Vendors”	Beijing Enterprises and CGGL
“%”	per cent.

In this announcement, the terms “connected person” and “substantial shareholder” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By the order of the Board
China Gas Holdings Limited
LIU Ming Hui
Chairman, Managing Director and President

Hong Kong, 22 April 2021

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. Mahesh Vishwanathan IYER 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*