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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

COMMENCEMENT OF THE PLANNING AND CONSTRUCTION OF THE LIQUEFIED HYDROCARBON STORAGE FACILITIES BASE PROJECT IN DONGYING PORT

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, on 16 November 2021, Shandong Zhongran Baogang Energy Development Co., Ltd.*, a subsidiary of the Company, officially commenced the planning and construction of the liquefied hydrocarbon storage facilities base project in Dongying Port (the “**Project**”), which is currently the only liquefied hydrocarbon refrigerated storage facilities base within the region of Dongying and can provide services such as raw materials supply, storage and ancillary services to chemical deep processing enterprises and light hydrocarbon integrated utilization enterprises in places including Dongying, Binzhou, Zibo and Weifang. It is expected that the Project will sell 600,000 tons of liquefied petroleum gas (the “**LPG**”) annually for residential, commercial and trade businesses.

REASONS AND BENEFITS FOR THE PROJECT COMMENCEMENT

Shandong Province has traditionally been a major province of local refinery, and its capacity of local refinery accounted for 43.74% of the national capacity. The local refinery enterprises in Shandong mainly concentrated in Dongying City and its surrounding areas, with the current capacity, capacity of construction in progress and capacity under planning of propane dehydrogenation facilities and light hydrocarbon utilization amounting to 1,566,000 tons, 1,800,000 tons, and 800,000 tons, respectively. It is expected that the annual demands in the region for LPG will reach 4,166,000 tons.

Leveraging the excellent hinterland conditions as well as the regional advantages of Dongying Port, while satisfying the demands for LPG of Dongying and its surrounding areas, the Company will proactively connect with the fast-growing local chemical industry and the downstream industrial chains, facilitating the further transformation towards the chemical field of Shandong Province. Moreover, the completion of the Project can provide strategic reserve storage of liquefied hydrocarbon for North China and Central China regions, thereby securing energy supply for raw material provision to liquefied hydrocarbon deep processing enterprises and residential energy demands for various above-mentioned prefecture-level cities, which will in turn greatly boost the Group's overall sales volume of LPG. This will also help maximize corporate and social benefits for the Group and create greater value for our 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
Chairman, Managing Director and President

Hong Kong, 16 November 2021

As at the date of this announcement, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Ms. LI Ching, Ms. LIU Chang and Mr. ZHAO Kun 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.

* *For identification purpose only*