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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 STRATEGIC COOPERATION FRAMEWORK AGREEMENT WITH BEIJING GAS GROUP COMPANY 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 the Company and Beijing Gas Group Company Limited (“**Beijing Gas Group**”) have entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”) on 24 November 2021.

Based on the principle of “faithful cooperation, complementary advantages, mutual benefits, and joint development”, both parties shall optimize energy structure and promote the integrated utilization of natural gas and have reached the following strategic cooperation framework agreement in relation to the import of natural gas, supply of downstream natural gas and utilization in liquefied natural gas (the “**LNG**”) emergency reserve project (including projects such as LNG receiving terminal, storage tanks and outbound pipelines) in Tianjin Nangang.

Pursuant to the Strategic Cooperation Framework Agreement, the Company and Beijing Gas Group have agreed to cooperate in the following aspects:

1. both parties shall leverage their respective advantages in natural gas resources, LNG storage and transportation and natural gas downstream market to commence the cooperation in natural gas related projects in areas outside Beijing;
2. both parties shall explore the cooperation in procurement of upstream natural gas resources, and supply of downstream natural gas resources;

3. in respect of the LNG emergency reserve project in Tianjin Nangang, Beijing Gas Group, on the premise of securing emergency supply of natural gas in Beijing, shall support the Company to commence business operations in areas including the processing services of receiving terminal and the sales of piped natural gas;
4. both parties will cooperate in the distribution, transportation and trading of LNG across the country to enhance the overall efficiency of LNG receiving terminal through the flexible downstream distribution and allocation capacity of both parties with the support of “nationwide network”;
5. both parties agreed to further implement relevant cooperation agreements under the marketization principle based on market demand; and
6. leveraging on its strengths in terms of upstream and storage and transportation facilities, Beijing Gas Group shall proactively provide stable resources with price advantages, and the Company shall commit to giving priority in utilizing the resources supplied by Beijing Gas Group in regions with multiple gas sources, under the equivalent conditions.

#### **REASONS AND BENEFITS FOR ENTERING INTO THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

The scale of LNG emergency reserve project (including projects such as LNG receiving terminal, storage tanks and outbound pipelines) in Tianjin Nangang is as follows: a receiving terminal with a total unloading capacity of 5 million tons/year, ten storage tanks (2×200,000 m<sup>3</sup> and 8×220,000 m<sup>3</sup>), and outbound pipelines with gas transmission capacity of 60 million m<sup>3</sup>/day. It is expected that the receiving terminal project will be completed by the end of 2022.

The Group believes that the Cooperation Framework Agreement will fully leverage both parties’ advantages of assets and resources in their respective business areas, which form a strong alliance that brings mutual benefits. The cooperation will contribute towards promoting the extension of the Group’s core natural gas business to the midstream and upstream in an asset-light manner and gradually build a complete LNG integrated industrial chain. By obtaining and securing the right to use LNG receiving stations in medium and long-term and promoting the signing of overseas direct gas supply contracts, it will help increase the stability of gas supply and reduce gas procurement costs, thereby bringing greater corporate and social benefits for the Group and creating greater value for our shareholders.

The Board wishes to emphasize that the Strategic Cooperation Framework Agreement only sets out both parties’ initial cooperation intention. Details of the transactions contemplated by the parties are conditional upon, among other things, further negotiations between the parties, the signing of the formal agreement and the satisfaction (or waiver, as the case may be) of the conditions precedent to the completion of the formal agreement. In addition, as the Beijing Gas Group is a subsidiary of Beijing Enterprises Group Company Limited, which is one of the substantial shareholders of the Company, the commencement of the relevant transactions may constitute connected transactions for the Company. When the relevant transactions are carried out by the parties, the Company will, if necessary, perform

relevant compliance procedures and relevant information disclosure as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws and regulations.

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, 24 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*