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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 AGREEMENT WITH VITOL ASIA PTE LTD

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 Vitol Asia Pte Ltd (“**Vitol Group**”) have entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) on 25 November 2021.

Based on the principle of “voluntary win-win, mutual benefits, mutual promotion and joint development”, both parties will leverage their respective advantages. Based on their consensus on China’s “dual-carbon” strategic objectives of carbon peak and carbon neutrality, the market-oriented reform of China’s natural gas industry and the competitive development trend of the global liquefied natural gas (“**LNG**”) industry, both parties intend to cooperate closely and actively leverage the advantages of Vitol Group in upstream resource acquisition and that of the Group in market development in China to jointly expand the LNG trading market in China.

Pursuant to the Strategic Cooperation Agreement, the Company and Vitol Group intend to establish a joint venture company in Singapore (the “**JV Company**”). Specific details of the cooperation are as follows:

1. The JV Company is proposed to be established in Singapore with a 50% shareholding by each party, and the registered capital and corporate governance structure will be specified in the joint venture contract and articles of association after specific negotiations between the two parties;

2. The JV Company shall integrate its resource advantage and make every effort to develop new customers of imported LNG in China, so as to rapidly expand market share and achieve economies of scale. Except for the existing business of both parties in the Chinese market, and without affecting the original customer relationships, resource provision for all of the new LNG import business in China will be incorporated into the JV Company;
3. The JV Company shall assure that LNG of corresponding quantity will be provided to the Group at a reasonable and favorable price annually, and ensure the stable and sound supply of LNG. From 2023, the JV Company shall supply LNG products of no less than 800,000 tonnes to the Group per annum, and from 2024 onwards, the supply shall be no less than 1,000,000 tonnes per annum. In the fifth year since its establishment, the JV Company shall achieve an import volume of over 5,000,000 tonnes per annum in the PRC market;
4. The JV Company shall actively seek competitive quality international LNG resources to supply the Chinese market, including but not limited to, long-term, short-term and annual LNG purchase and sale contracts linked to relevant recognized indices; and
5. In respect of the LNG receiving terminal, the JV Company may, in relation to the outlook and assessment of the LNG supply and demand in China, rely on or cooperate with the Group to develop LNG receiving terminals in China subject to objective conditions.

REASONS AND BENEFITS FOR ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

Vitol Group is a global energy and commodities trading company with a history of over 50 years. It is the world's largest independent energy trader. With 40 offices worldwide, Vitol Group invests in energy assets from oil, natural gas to electricity, and from a portfolio of transitional and renewable energy assets to carbon trading. With physical trading, logistics and distribution as its core business, Vitol Group engages in exploration and production, storage facilities, terminals, trading and strategic investments. Vitol Group supplies more than 10,000,000 tonnes of LNG worldwide every year. It entered into mid- and long-term contracts with major oil and gas companies around the world, and maintained a sufficient and balanced LNG resources portfolio.

Leveraging the Group's strong distribution capability and influence in the LNG market of China and Vitol Group's extensive resources and experience in international LNG trading, entering into the Strategic Cooperation Agreement and the establishment of the JV Company will be conducive to the development and expansion of the incremental business of LNG imports in China. The JV Company will gradually expand customer channel on the basis of satisfying the Group's existing LNG import volume and supplying the midstream and downstream markets. Reliance on Vitol Group's rich upstream resources, experience in trading operations and financial risk management capabilities, the JV Company will vigorously promote its LNG supply services, financial services, risk management and other businesses, coordinate to open up the vertical LNG industrial chain to build the JV Company into one of the most influential imported LNG service providers in China, thereby bringing greater corporate and social benefits for the Group and creating 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, 26 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*