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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 STATE POWER INVESTMENT CORPORATION CARBON
ASSET MANAGEMENT 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 of the Company (the “**Board**”) is pleased to announce that the Company and State Power Investment Corporation Carbon Asset Management Company Limited* (國家電投集團碳資產管理有限公司) (the “**Carbon Asset Management Company**”) have entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Agreement**” on 10 February 2022.

Based on equal and friendly negotiations, both parties agreed to share resources and complementary advantages for mutual benefits by leveraging their respective advantages, and initiating deep cooperation in fields such as distributed photovoltaic, decentralized wind power, small-scale clean energy projects, county markets, integrated smart energy projects for large users, hydrogen energy and energy storage power stations, etc.. The parties have reached Strategic Cooperation Agreement as follows:

1. Development of County Market

Both parties will jointly develop county markets, large energy users, photovoltaic and integrated smart energy by leveraging on the Company’s large customer base and solid customer relationship network. Both parties will also make use of rich practical experience and professional management capabilities of State Power Investment Corporation Limited (“**SPIC**”) in clean energy project development to provide professional consultation, design, investment and construction services for the cooperation projects so as to enhance project development efficiency and investment returns, as well as to select high-quality projects for comprehensive cooperation in investment, construction, operation and maintenance.

2. Household Photovoltaic

Both parties will initiate deep cooperation in the fields of household photovoltaic development, leveraging on the Company's extensive rural gas network to develop household photovoltaic in counties. Both parties will jointly develop business and technical strategies for market development, establish joint ventures and jointly invest in household photovoltaic projects. Carbon Asset Management Company will be responsible for capital contribution and project acceptance, while the Company will be in charge of customer contracting, installation and construction, operation and maintenance. The green certificates or CCER resources generated from the joint projects will be developed by Carbon Asset Management Company, and the proceeds will be owned by the joint ventures.

3. Carbon Asset Management and Low-carbon Services

Both parties have conducted cooperation in carbon asset management, carbon measurement and verification, low-carbon technology consulting services, development of key technology for carbon emission reduction, and low-carbon technology incubation and promotion. Both parties also jointly participate in the dual-carbon planning for the county market, and provide services such as green power, green certificates, forest carbon sink and ecological carbon sink planning and development to partners, as well as cooperate in greenhouse gas testing and measurement analysis, establish testing standard system and develop methodology.

4. Hydrogen-enriched Natural Gas

Both parties will cooperate in fields including hydrogen-enriched natural gas and replacement with green energy, paving way forward with in-depth cooperation for future transformation.

5. Topic Study

Both parties will cooperate with domestic and international first-class research institutions in topic research and development of risk pricing model for carbon information scientific study and carbon assets, supported by integrated information technologies on air, space, earth and water to give scientific evaluation on carbon reduction pressure and effects of carbon reduction on economic entities. Both parties will conduct empirical estimations and projections on the impact from environmental and climate risks on green carbon sink supply and prices of energy and carbon assets.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

SPIC is a global leading renewable energy supplier with the largest photovoltaic, new energy and renewable energy installed capacity in the world. Carbon Asset Management Company is a wholly-owned subsidiary of SPIC and a platform company set up by SPIC for carbon assets management and low carbon services.

The Group believes that entering into the Strategic Cooperation Agreement will leverage both parties' strengths, promote mutual cooperation in fields including the the utilization of clean energy, counties and large users development, drive the cooperation in dual-carbon industries to contribute to the dual-carbon strategy of the country and achieve the emission peak as well as carbon neutrality; and accelerate the Group's market layout and strategy implementation in the dual-carbon market, enabling the Group to achieve greater corporate and social benefits and create greater value for 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, 10 February 2022

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, Mr. ZHANG Ling and Dr. MA Weihua are the independent non-executive directors of the Company.

* *For identification purpose only*