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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 YUNNAN INVESTMENT HOLDING GROUP CO., LTD.**

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 Yunnan Investment Holding Group Co., Ltd. (“**YIG**”) have entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”) on 21 February 2022.

In order to thoroughly implement the spirit of the strategic cooperation agreement between the Yunnan Provincial Government and the Company to accelerate “Gasification of Yunnan, Gas to the Countryside”, after full communication and exchanges between the two parties, a strategic cooperation framework agreement has been reached under the premise of equality, voluntariness, mutual benefit, collaborative promotion and development. Contents of the cooperation are as follows:

1. City and township gas projects

The parties will focus on large-scale industrial and commercial users as the main target customer and expand the uncovered market in Yunnan Province (no concession right agreement has been signed) by initiating mergers or acquisitions of certain gas companies through cooperation with the local government so as to expanding the market share.

2. Gas to the countryside

Fully leveraging the technical advantages of the Company’s MicroGrid, the two parties will jointly establish a platform company to raise construction funds through ways of local government special bonds and medium- and long-term bank loans, marketize operation to obtain the concession rights of “Gas to the Countryside” and promote the LPG MicroGrid gas project in Yunnan Province.

3. Value-added business

Leveraging the user resources, brands and channels created by the “Yipin Smart Life” retail platform of the Company, the operating entity of the value-added services business shall connect the products of both parties, and provide diverse, sustainable and high-quality products and services, so as to unleash the potential values of the value-added services business and improve the satisfactory level of government and users.

4. Other businesses

Exploring the cooperative opportunities in areas such as gas refilling stations for vehicles, charging pile business, dual-carbon business, and photovoltaic business.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

YIG is the first enterprise in Yunnan Province ranking as the top 500 enterprises of the world. It has a long operating history in business areas such as finance, health care, big data and tourism. It is also a comprehensive investment holding group in the province with the largest asset scale. It is the investment and financing platform, strategic resources integration platform and corporatization development supporting platform of the Yunnan Provincial Government.

The Company will make full use of its advantages in brands, markets and resources and enhance the strategic cooperation with YIG. In particular, both parties will enhance cooperation in the development and construction of city and township gas utilization projects, value-added services, dual-carbon business and photovoltaic business, further expanding the Group’s gas markets in cities and villages, facilitating the extension of industry chains and achieving the win-win objective. At the same time, the Group’s market layout and strategy implementation in dual-carbon and new energy business will be expedited, 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, 23 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*