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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 THE PEOPLE'S GOVERNMENT OF HOHHOT CITY

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 the People’s Government of Hohhot City (the “**Hohhot City**”) recently entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”).

To accelerate the implementation of green and low-carbon transition of energy system in Hohhot City to achieve goal of “dual-carbon” as soon as possible, the Company and the Hohhot City decided to establish strategic cooperation and reached the following agreement after comprehensive negotiation:

1. Promote dual-carbon and new energy projects

The Company will actively promote the development of dual carbon businesses such as carbon asset management and low carbon services, as well as various new energy projects such as photovoltaic power, charging piles/stations, sales of electricity, incremental distribution networks and integrated smart energy.

2. Secure gas sources

The Company will actively introduce various gas sources, speed up the construction of gas storage facilities and improve security of gas supply, to meet the growing local demand for natural gas. The Company will assist the Hohhot City in further promoting livelihood-related projects, such as clean energy heating in urban areas in winter and “replacement of coal with gas” projects in industrial and commercial sectors, with an aim to improve utilization rate of clean energy practically. In respect of construction of major infrastructure projects, including Horinger New District, new airport and Yili Smart Health Valley* (伊利智慧健康谷), the Company will leverage

on the Group's edges in personnel and technology to expand coverage of natural gas pipeline network to provide sufficient gas supply for the major projects, so as to facilitate quality development in the key areas.

3. Engage actively in infrastructure construction

As for municipal facilities and projects with potential for development and utilization in relation to clean energy and water, power, gas and heating, the Company will assist the Hohhot City in revitalizing the existing assets and enhancing their values in an efficient manner; the Company will also continue to replace obsolescent pipeline networks in urban areas to effectively ensure safe use of gas by residents.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

Hohhot City is the capital of the Inner Mongolia Autonomous Region. The Inner Mongolia Autonomous Region has rich natural resources, including natural gas resources — the Sulige Gas Field, China's largest integrated natural gas field, providing strong energy support for the development of industrial projects. The industrial economy in the Inner Mongolia Autonomous Region has been developing rapidly covering industries like mining, manufacturing, agricultural and by-product food processing, gas and thermal power industries.

The Group believes that entering into the Strategic Cooperation Agreement will fully leverage on our respective advantages, realize mutual benefits and achieve complementary advantages, enabling us to focus on and promote long-term green development. The Company will leverage on its comprehensive capabilities and competitive advantages in city and township piped gas, LNG storage, LPG industry chain, use of distributed energy, centralized heating, contracted energy management and new retail value-added e-commerce service covering the full ecosphere, to collaborate with the Hohhot City in promoting construction of energy infrastructure and the use of clean energy in urban areas in Hohhot City, so as to continuously enhance the overall competitiveness of the city. Meanwhile, the cooperation will accelerate the implementation of the Group's market layout and strategy in the dual-carbon and new energy sector, 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 the order of the Board
China Gas Holdings Limited
LIU Ming Hui
Chairman, Managing Director and President

Hong Kong, 5 June 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, Mr. Mahesh Vishwanathan IYER and Mr. XIONG Bin 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*