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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 ACQUISITION OF APPROXIMATELY 32.4% EQUITY INTEREST IN HOHHOT CHINA GAS

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, Zhongran Investment Limited Company, a wholly-owned subsidiary of the Company, recently entered into an acquisition agreement with the State-owned Assets Supervision and Administration Commission of Hohhot (the “**Seller**”), pursuant to which, Zhongran Investment Limited Company has agreed to acquire and the Seller has agreed to sell approximately 32.4% equity interest in Hohhot Zhongran City Gas Development Co., Ltd.\* (呼和浩特中燃城市燃氣發展有限公司) (“**Hohhot China Gas**”) for a consideration of RMB1,693,493,160.26.

Prior to the completion of the transaction, Hohhot China Gas was a subsidiary of the Group, which was held as to approximately 64.1% by the Group, approximately 32.4% by the Seller and approximately 3.5% by Inner Mongolia State-owned Capital Operation Co., Ltd.\* (內蒙古國有資本運營有限公司). Upon completion of the transaction, approximately 96.5% equity interest in the target company will be held by the Group, and the remaining approximately 3.5% equity interest will be held by Inner Mongolia State-owned Capital Operation Co., Ltd.

#### REASONS FOR AND BENEFITS OF THE ACQUISITION

Hohhot China Gas is a limited liability company incorporated in the People’s Republic of China. It is mainly engaged in gas pipeline installation, maintenance, gas supply and sales services related to city gas business, and its operating regions include Hohhot city and seven surrounding counties and development zones.

By further increasing the Group's shareholding in Hohhot China Gas, the Group is close to holding it as a wholly-owned subsidiary, which can further enhance the overall management and control over Hohhot China Gas in terms of investment, operation and corporate management. The operating performance and profitability of Hohhot China Gas are satisfactory, and the increase in shareholding is conducive to improving the Group's operation and financial performance. As the capital city of the Inner Mongolia Autonomous Region, Hohhot has huge potential and space for economic development since there is a strong demand for natural gas from industrial and commercial sector and for heating in winter by residents. At the same time, the cities around Hohhot have high development potential. With a good relationship with the local government and enterprises as well as high-quality user services, Hohhot China Gas will continue to acquire and invest in more new projects around the city, so as to contribute to the sustainable and healthy development of the Group.

The aforesaid transaction does not constitute a notifiable or connected transaction of the Company under Chapter 14 or 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders and prospective investors are advised to exercise caution when dealing in the shares and other securities of the Company.

By the order of the Board  
**China Gas Holdings Limited**  
**LIU Ming Hui**  
*Chairman and President*

Hong Kong, 6 March 2023

*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. XIONG Bin, 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*