

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

**(1) CONNECTED TRANSACTION IN RELATION TO THE EQUITY TRANSFER
AND
(2) CONTINUING CONNECTED TRANSACTION IN RELATION TO
GAS METERING AND WATER METERING PRODUCTS PROCUREMENT
FRAMEWORK AGREEMENT**

(1) CONNECTED TRANSACTION IN RELATION TO THE EQUITY TRANSFER

On 6 February 2026, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser, a non-wholly owned subsidiary of the Company, entered into the Equity Transfer Agreement pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Equity Interest at a consideration of RMB52,668,000 (equivalent to approximately HK\$58,520,000). Upon Completion, the Vendor will cease to hold any equity interest in the Target Company. The Group will continue to hold an indirect interest in the Target Company through the Purchaser, which is a non-wholly owned subsidiary of the Company.

**(2) CONTINUING CONNECTED TRANSACTION IN RELATION TO GAS METERING
AND WATER METERING PRODUCTS PROCUREMENT FRAMEWORK AGREEMENT**

On 6 February 2026, the Company and Electronic Business entered into the Gas Metering and Water Metering Products Procurement Framework Agreement, pursuant to which the YPH Group agreed to supply gas metering and water metering products and related services to the Parent Group, for a term commencing from 6 February 2026 and ending on 31 March 2028.

IMPLICATIONS UNDER THE LISTING RULES

The Equity Transfer

Mr. LIU is the chairman of the Board, the president of the Group, an executive Director and a substantial Shareholder. Accordingly, Mr. LIU is a connected person of the Company. Given the Purchaser is a wholly-owned subsidiary of YPH, which is in turn owned as to 23.5% by Mr. LIU through his wholly-owned company, Wonderful Pearl (BVI) Limited, the Purchaser is a connected subsidiary of the Company. As such, the transaction under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios (as defined in the Listing Rules) exceeds 0.1% but all of them are less than 5%, the entering into the Equity Transfer Agreement and the transactions contemplated thereunder will constitute a connected transaction of the Company subject to the reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Gas Metering and Water Metering Products Procurement Framework Agreement

Mr. LIU is the chairman of the Board, the president of the Group, an executive Director and a substantial Shareholder. Accordingly, Mr. LIU is a connected person of the Company. Given Electronic Business is an indirect wholly-owned subsidiary of YPH, which is in turn owned as to 23.5% by Mr. LIU through his wholly-owned company, Wonderful Pearl (BVI) Limited, Electronic Business is a connected subsidiary of the Company. As such, the transactions under the Gas Metering and Water Metering Products Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the annual caps of the Gas Metering and Water Metering Products Procurement Framework Agreement exceed 0.1% but all of them are less than 5%, the entering into the Gas Metering and Water Metering Products Procurement Framework Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company subject to the reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. CONNECTED TRANSACTION IN RELATION TO THE EQUITY TRANSFER

INTRODUCTION

On 6 February 2026, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser, a non-wholly owned subsidiary of the Company, entered into the Equity Transfer Agreement pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Equity Interest at a consideration of RMB52,668,000 (equivalent to approximately HK\$58,520,000).

THE EQUITY TRANSFER AGREEMENT

Date: 6 February 2026

Parties: (1) Zhongran Gas, as the Vendor; and
(2) Shenzhen YPH, as the Purchaser.

Subject matter: Pursuant to the Equity Transfer Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Equity Interest.

As at the date of this announcement, the Target Company is held by the Vendor, Zenner Metering and Shanghai Rendi as to 50.66%, 33.34% and 16.00%, respectively. Upon Completion, the Target Company will be held by the Purchaser, Zenner Metering and Shanghai Rendi as to 50.66%, 33.34% and 16.00%, respectively. The Group will continue to hold an indirect interest in the Target Company through the Purchaser, which is a non-wholly owned subsidiary of the Company.

Consideration and payment terms: The total consideration for the Equity Transfer is RMB52,668,000 (equivalent to approximately HK\$58,520,000) (the “**Consideration**”), which was determined by Vendor and the Purchaser after arm’s length negotiation with reference to (a) the appraised value of 100% equity interest in the Target Company (i.e. approximately RMB103,964,000, equivalent to approximately HK\$115,515,000) as of the Valuation Date as stated in the Valuation Report prepared by the Valuer, using the market approach; and (b) the percentage of equity interest to be disposed by the Vendor under the Equity Transfer Agreement.

Completion is subject to the Company’s compliance with any relevant requirements of the Listing Rules.

The Purchaser shall pay the Consideration to the Vendor's designated account after completion of the registration of the Equity Transfer with relevant industrial and commercial authorities, in accordance with terms and conditions of the Equity Transfer Agreement. The Consideration will be funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER

The YPH Group is principally engaged in the sale and provision of kitchen-focused household products and services, including kitchen appliances, gas safety products, other household products and related services such as residential upgrade solutions. Aligning the Target Company, whose core business focuses on the research and development, manufacturing, sales, and testing of gas equipment and water metering products, with the YPH Group's product and service ecosystem will strengthen strategic coherence across the Group's portfolio and business upgrades to establish a sound and self-controlled "R&D - Production - Service" supply chain system. Against the backdrop of national policies continuously advancing the smart city development, market demand for intelligent IoT metering devices has grown significantly. YPH possesses profound technological expertise and product experience in IoT, intelligent living and security sectors, while the Target Company has cutting-edge production lines. The Equity Transfer will enable deep integration of research and development resources of both parties, driving the upgrade of gas meters towards intelligence, security integration, and systematization. Leveraging YPH's platforms, such as 'Family Helper' and 'Qiwei Security', both parties can jointly develop a series of new high-value-added products, including valve pit leakage detectors, smart sockets, IoT smoke detectors, and commercial kitchen alert systems, further expanding the profit margin of the Target Company.

The Directors (including the independent non-executive Directors) consider that while the Equity Transfer Agreement is not entered into in the ordinary course of the business of the Group, it is conducted on normal commercial terms, and the terms of the Equity Transfer Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established under the laws of China with limited liability. The Target Company is a non-wholly owned subsidiary of the Company. The Target Company's core business focuses on the research and development, manufacturing, sales, and testing of gas equipment and water metering products. Its main products include gas metering equipment (diaphragm gas meters, ultrasonic gas meters, heat exchangers), regulation and control equipment (gas pressure regulators, SCADA monitoring systems), testing equipment (flow meters, gas meters, gas pressure regulators, and gas pipeline safety protection devices) and water metering products.

Set out below is the relevant unaudited financial information of the Target Company for the years ended 31 December 2024 and 2025:

	For the year ended 31 December 2024 (RMB'000) (unaudited)	For the year ended 31 December 2025 (RMB'000) (unaudited)
Profit before tax	78,553	33,321
Profit after tax	67,116	27,943

As at 31 December 2025, the unaudited net asset value of the Target Company is RMB99,891,000.

FINANCIAL EFFECT OF THE EQUITY TRANSFER AND USE OF PROCEEDS

As of the date of this announcement, the Company indirectly holds 50.66% equity interest in the Target Company through the Vendor. Upon Completion, whilst the Vendor will cease to hold any equity interest in the Target Company, the Group will continue to hold an indirect interest in the Target Company through the Purchaser, which is a non-wholly owned subsidiary of the Company.

As such, upon Completion, the Target Company will continue to be regarded as a subsidiary of the Company and the financial results of the Target Company will continue to be accounted for and consolidated into the financial results of the Group. Accordingly, the Group does not expect to record any gain or loss from the Equity Transfer. The Group intends to apply the sale proceeds from the Equity Transfer to strengthen the general working capital of the Group and actively promote the development of the Group's business, so as to enhance the Company's core competitiveness and development capabilities.

IMPLICATIONS UNDER THE LISTING RULES

Mr. LIU is the chairman of the Board, the president of the Group, an executive Director and a substantial Shareholder. Accordingly, Mr. LIU is a connected person of the Company. Given the Purchaser is a wholly-owned subsidiary of YPH, which is in turn owned as to 23.5% by Mr. LIU through his wholly-owned company, Wonderful Pearl (BVI) Limited, the Purchaser is a connected subsidiary of the Company. As such, the transaction under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Mr. LIU abstained from voting on the Board resolutions approving the Equity Transfer Agreement. Each of Ms. LIU Chang and Prof. LIU Mingxing also abstained from voting on such Board resolutions by virtue of their family relationship with Mr. LIU. Save and except for the aforesaid, none of the Directors has any material interest in any of the transactions contemplated under the Equity Transfer Agreement and no Director was required to abstain from voting on the Board resolutions for approving the Equity Transfer Agreement at the meeting of the Board.

Given that one or more of the applicable percentage ratios (as defined in the Listing Rules) exceeds 0.1% but all of them are less than 5%, the entering into the Equity Transfer Agreement and the transactions contemplated thereunder will constitute a connected transaction of the Company subject to the reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

VALUATION OF THE TARGET COMPANY

The Valuer issued the Valuation Report on 6 January 2026, assessing and concluding the market value of a 100% equity interest in the Target Company upon Completion as of the Valuation Date to be approximately RMB103,964,000 (equivalent to approximately HK\$115,515,000). The Valuation was conducted in accordance with the relevant standards issued by the Hong Kong Institute of Surveyors, the Royal Institution of Chartered Surveyors, and the International Valuation Standards Council, and was prepared on a market value basis under the assumption of the Target Company's continued operation as a going concern.

Valuation methodology

According to the Valuation Report, the Valuer has considered commonly adopted valuation approaches in the market (namely cost approach, market approach and income approach) for the purpose of determining the market value of a 100% equity interest in the Target Company upon Completion at the Valuation Date.

After careful consideration of the nature of the Target Company's business, the availability and reliability of financial and market data, and the purpose of the Valuation, the Valuer determined that the market approach was the most appropriate valuation method.

The cost approach was not adopted as it does not adequately reflect the future economic benefits and growth of the Target Company's ongoing operations. The income approach was also not adopted due to the high degree of subjectivity and its sensitivity to long-term financial forecasts, both of which could materially affect the valuation outcome.

The market approach was selected as it is widely recognized for its ability to neutralize differences in capital structure, taxation and depreciation and amortization policies among comparable companies, thereby focusing on core operating profitability. The Valuer identified a group of listed companies in mainland China with comparable business models in the gas metering products sector and derived the relevant valuation multiples from their publicly available financial data.

Scope of Work and Limitations

The Valuer's work included:

- (a) collecting and reviewing financial and operational information of the Target Company, including unaudited management accounts as of the Valuation Date and audited financial statements for the preceding two years;
- (b) conducting interviews and discussions with management to understand the business, historical performance, and future plans;
- (c) researching and analysing industry trends and comparable market data;
- (d) identifying and selecting appropriate listed comparable companies in the gas metering products sector in mainland China, based on business model, geographic focus, and data transparency; and
- (e) applying the selected valuation methodology and performing necessary adjustments.

The Valuer's analysis was subject to certain limitations, including reliance on information provided by management and publicly available sources, which were not independently verified. The Valuer did not audit the financial data and assumed its accuracy and completeness. The Valuation does not reflect any events or circumstances arising after the Valuation Date. These limitations are consistent with market practice and are necessary to ensure a timely and cost-effective valuation process, as also noted in other market-based valuation reports.

Key inputs of the Valuation

Selection basis of the Comparable Companies

Based on the market approach, the market value of a 100% equity interest in the Target Company upon Completion was determined with reference to the business nature and operational information of the Comparable Companies. During the selection process of Comparable Companies, the Valuer has mainly focused on the following criteria:

- (a) **Industry:** The main business must be research and development, manufacturing, and sales of gas metering instruments and related equipment (and related businesses).
- (b) **Geographic Scope:** The primary area of operation must be within mainland China.

- (c) **Listed Company:** The company must be publicly listed on a stock exchange to ensure transparency of financial data.
- (d) **Data Quality:** Financial information must come from authoritative sources such as FactSet or from audited public disclosure documents.

Market multiple, adjustments and quantitative inputs

The selected Comparable Companies differ from the Target Company in terms of scale. Generally, larger companies are perceived to have lower operational and financial risks, resulting in a lower required rate of return by the market and, consequently, higher valuation multiples.

To more accurately reflect the risk profile of the Target Company and ensure the relevance of the selected multiples, a size premium was applied to the P/E multiples of the Comparable Companies. The adjustment was made using the following formula:

$$\text{Adjusted P/E Multiple} = 1/[(1/M) * \theta]$$

Where:

M = P/E multiples of the Comparable Companies at the Valuation Date

θ = size premium differential, representing the additional cost of equity capital required to account for the size difference between the Comparable Companies and the Target Company

The valuation parameters of the Comparable Companies as at the Valuation Date are shown in the table below:

Ticker	Company name	Principal Business	Market capitalization (RMB million)	Adjusted P/E Multiples
002767	Hangzhou Innover Technology Co., Ltd.	Develops, manufactures, and sells terminal devices and smart gas meters.	3,437	25.15
002849	Zhejiang Viewshine Intelligent Meter Co., Ltd.	Develops, produces, and sells smart metering terminals and gas management platforms for urban gas; products include water/gas meters, software, and auxiliary equipment.	3,508	18.72

Ticker	Company name	Principal Business	Market capitalization (RMB million)	Adjusted P/E Multiples
300259	Suntront Technology Co., Ltd.	Focuses on prepaid smart meters, including smart water/heat/gas (prepaid) and electric meters with associated systems.	5,193	13.85
300349	Goldcard Smart Group Co., Ltd.	Develops, produces, and sells smart gas meters and metering management systems.	6,521	12.88
301303	Zenner Metering Technology (Shanghai) Ltd.	Develops, manufactures, and sells gas metering instruments and related products (gas meters, stainless steel corrugated pipes, injection molds/ plastic parts, electrical products, flowmeters).	1,547	4.40
688528	Chengdu Qinchuan IoT Technology Co., Ltd.	Develops, manufactures, sells, and services smart gas meters and integrated management software.	1,809	N/A*

* The trailing twelve-month normalized net earnings of Chengdu Qinchuan IoT Technology Co., Ltd. was negative as at the valuation date.

Source: FactSet database, publicly disclosed financial statements of the Comparable Companies

The median P/E multiple of the selected Comparable Companies, after adjustment for size as shown in the table above was 13.85. Given that the Target Company is not publicly listed, a 20.4% discount was applied to account for the lower liquidity, referencing empirical research on restricted stock transactions. A control premium of 26.4% was applied to reflect the additional value that a potential acquirer is willing to pay to obtain a controlling interest in the Target Company, in line with prevailing market practice for similar transactions.

The Valuation also factored in the Target Company's other receivables, other payables, and dividend payable as of the Valuation Date. Based on the above methodology, inputs, and adjustments, the Valuer concluded that the market value of a 100% equity value of the Target Company as at the Valuation Date was approximately RMB103,964,000 (equivalent to approximately HK\$115,515,000).

Assumptions

The principal assumptions adopted by the Valuer include:

- (a) the Target Company will continue as a going concern;
- (b) no material adverse changes in the economic, regulatory, or business environment after the Valuation Date;
- (c) the management team remains competent and the business continues to operate in accordance with current plans; and
- (d) all information provided to the Valuer is accurate and complete.

Identity, Qualification, and Independence of the Valuer

The Valuer is an independent professional valuation firm with relevant experience and qualifications in business and equity valuation. The Valuer is independent of the Group and the connected persons of the Company, and has provided written consent for the inclusion of its valuation opinion in this announcement. As confirmed by the Valuer, the Valuer's credentials and independence are consistent with market practice and regulatory requirements for connected transactions involving Hong Kong listed companies.

Board Review

The Board has reviewed the key assumptions, methodology, and procedures adopted in the Valuation Report. After due and careful consideration, the Board is satisfied that the Valuation has been prepared on a fair and reasonable basis and is in the interests of the Company and the Shareholders as a whole.

2. CONTINUING CONNECTED TRANSACTION IN RELATION TO GAS METERING AND WATER METERING PRODUCTS PROCUREMENT FRAMEWORK AGREEMENT

INTRODUCTION

On 6 February 2026, the Company and Electronic Business entered into the Gas Metering and Water Metering Products Procurement Framework Agreement, pursuant to which the YPH Group agreed to supply gas metering and water metering products and related services to the Parent Group, for a term commencing from 6 February 2026 and ending on 31 March 2028.

GAS METERING AND WATER METERING PRODUCTS PROCUREMENT FRAMEWORK AGREEMENT

- Date:** 6 February 2026
- Parties:**
- (1) The Company (for itself and on behalf of other members of the Parent Group (namely the Company's subsidiaries other than members of the YPH Group)); and
 - (2) Electronic Business (for itself and on behalf of the other members of the YPH Group).
- Term:** Commencing from 6 February 2026 and ending on 31 March 2028.
- Major Terms:**
- The Parent Group shall purchase and the YPH Group shall supply gas metering and water metering products and related services. The YPH Group shall be responsible for product development (direct or commissioned product development), brand maintenance, promotion, marketing and sales training.
- The Gas Metering and Water Metering Products Procurement Framework Agreement does not impose any sale or purchase obligation, and the sale and purchase of each product or service shall be subject to the corresponding contracts to be entered into between the relevant members of the Parent Group and the YPH Group, for so long as such contracts do not contradict with the Gas Metering and Water Metering Products Procurement Framework Agreement.
- Price Determination:** The price of each batch of products shall be determined in accordance with the following principles:
- (i) the pricing of each batch of products is determined with reference to government-prescribed prices;

- (ii) in the absence of government pricing guidance, the pricing of each batch of products shall be determined through price enquiry and comparison on the relevant price information platform or by referring to the prices of similar transactions in the surrounding markets where practicable. The finance department of the Company shall seek to obtain quotations from at least three independent third-party suppliers for each type of products where practicable on an annual basis. A management personnel of the Company authorized to approve such transactions will review and compare the prices and terms in respect of products offered by the YPH Group to the Parent Group with the reference price from other quotations or the price assessed by an independent third-party valuation agency, as applicable, for comparable products before entering into the individual contracts pursuant to the Gas Metering and Water Metering Products Procurement Framework Agreement. The price of the products should not exceed the best price among all the prices offered by comparable independent third-party suppliers in the relevant market in the ordinary course of business based on comparable terms and conditions or the price assessed by an independent third-party valuation agency (as applicable);
- (iii) where none of the above is applicable, the price shall be determined on a cost-plus method, namely by taking into account the reasonable costs incurred in providing such products (including product development, brand promotion, sales management and training) plus a reasonable profit margin (with reference to the general range of profit in the industry). The parties will refer to the historical average price for the relevant products and/or profit margins of at least two comparable products, where available, to determine whether the profit charged is in line with the industry.

The underlying contracts to be entered into between the Parent Group and the YPH Group shall be on normal commercial terms, fair and reasonable, and on terms no less favorable to the Company than those available to the Company for the comparable purchase of the products from independent third parties.

Payment:

Payment shall be settled within 30 days from the date of completion of each transaction, unless otherwise agreed.

BASIS FOR DETERMINING THE ANNUAL CAPS

The annual caps for the Gas Metering and Water Metering Products Procurement Framework Agreement are set out below:

	Historical amounts from 1 April 2025 to the date of this announcement (RMB million)	Transaction cap from 6 February 2026 to 31 March 2026 (RMB million)	Annual cap for the year ending 31 March 2027 (RMB million)	Annual cap for the year ending 31 March 2028 (RMB million)
Gas Metering and Water Metering Products Procurement Framework Agreement	–	86.64	508.63	592.11

The annual caps for the Gas Metering and Water Metering Products Procurement Framework Agreement were determined taking into account: (i) expected transaction amount based on the Parent Group's projected growth and development, using the government-prescribed price or prevailing market prices of similar gas metering and water metering products as price indicators and taking into account the Parent Group's increasing operating scale and demand for metering equipment for both new connections and replacement cycles; and (ii) the market development and anticipated economic outlook which will affect the future demand for gas metering and water metering products for supporting the Parent Group's breadth of operations and the growth in cumulative connections in various regions nationwide.

The Directors (including the independent non-executive Directors) consider that the annual caps under the Gas Metering and Water Metering Products Procurement Framework Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INTERNAL CONTROLS FOR THE CONTINUING CONNECTED TRANSACTION

The pricing policy for the Gas Metering and Water Metering Products Procurement Framework Agreement will be supervised and monitored by the relevant personnel of the Group to ensure that the relevant transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole. In addition to compliance with the requirements on annual review by the external auditor and independent non-executive Directors under the Listing Rules in respect of the Group's continuing connected transactions, regular checks will be conducted to review and assess whether the relevant transactions are conducted in accordance with the terms of the Gas Metering and Water Metering Products Procurement Framework Agreement and the price charged for a specific transaction is fair and reasonable and in accordance with the pricing policy.

The Company has in place internal control policies to ensure that the transactions under the Gas Metering and Water Metering Products Procurement Framework Agreement will not be prejudicial to the interests of the Company and the Shareholders as a whole. The Company will review from time to time (i) the terms offered by comparable independent third-party suppliers and compare those with the terms of the Gas Metering and Water Metering Products Procurement Framework Agreement; and (ii) the price offered by comparable independent third-party suppliers or the price assessed by an independent third-party valuation agency, as applicable, and compare that with the price offered by the YPH Group to ensure that the terms offered are no less favorable than those offered by independent third parties. The Company will endeavor to negotiate with the YPH Group in good faith with a view to complying with the pricing principles.

In addition, the utilization rate of the relevant annual caps will be monitored by the relevant personnel of the Group from time to time. In the event that the utilization rate is approaching its cap, the relevant member of the senior management will be informed of further evaluation of whether the Company is required to comply with the relevant requirements under the Listing Rules.

The Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Gas Metering and Water Metering Products Procurement Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

The audit committee of the Company comprising independent non-executive Directors will review the transactions under the Gas Metering and Water Metering Products Procurement Framework Agreement regularly. Pursuant to Rule 14A.56 of the Listing Rules, the Board will engage the external auditor to report on the Company's continuing connected transactions every year, pursuant to which such external auditor will provide a letter to the Board in accordance with the said rule.

REASONS FOR AND BENEFITS OF ENTERING INTO GAS METERING AND WATER METERING PRODUCTS PROCUREMENT FRAMEWORK AGREEMENT

Upon completion of the Equity Transfer, the Target Company will be fully consolidated into the business portfolio of YPH Group. The Group believes that YPH Group possesses extensive experience across the entire value chain, including R&D of smart products, production, supply chain management, procurement, sales, installation and after-sales services. Its gas metering products offer advantages in terms of intelligence, safety, and systematic integration. Furthermore, it is capable of supplying gas metering and water metering products on terms no less favorable than those available in the market, thereby meeting the growing demand of the Group's end-users for related products.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Gas Metering and Water Metering Products Procurement Framework Agreement (including the annual caps) are fair and reasonable, the transactions contemplated under the Gas Metering and Water Metering Products Procurement Framework Agreement are on commercial terms or better, and in the ordinary and usual course of business of the Group, and that the Gas Metering and Water Metering Products Procurement Framework Agreement and transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Mr. LIU is the chairman of the Board, the president of the Group, an executive Director and a substantial Shareholder. Accordingly, Mr. LIU is a connected person of the Company. Given Electronic Business is an indirect wholly-owned subsidiary of YPH, which is in turn owned as to 23.5% by Mr. LIU through his wholly-owned company, Wonderful Pearl (BVI) Limited, Electronic Business is a connected subsidiary of the Company. As such, the transactions under the Gas Metering and Water Metering Products Procurement Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Mr. LIU abstained from voting on the Board resolutions approving the Gas Metering and Water Metering Products Procurement Framework Agreement and its respective annual caps. Each of Ms. LIU Chang and Prof. LIU Mingxing also abstained from voting on such Board resolutions by virtue of their family relationship with Mr. LIU. Save and except for the aforesaid, none of the Directors has any material interest in any of the transactions contemplated under the Gas Metering and Water Metering Products Procurement Framework Agreement and no Director was required to abstain from voting on the Board resolutions for approving the Gas Metering and Water Metering Products Procurement Framework Agreement and its respective annual caps at the meeting of the Board.

Given that one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the annual caps of the Gas Metering and Water Metering Products Procurement Framework Agreement exceed 0.1% but all of them are less than 5%, the entering into the Gas Metering and Water Metering Products Procurement Framework Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company subject to the reporting and announcement requirements but are exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

3. OTHER INFORMATION

INFORMATION ON THE GROUP AND THE VENDOR

The Group is one of the China's largest trans-regional, integrated energy suppliers and service providers. Focusing on China, it is primarily engaged in the investment, construction, and operation of city and township gas pipelines, gas terminals, storage and transport facilities, and gas logistics systems to deliver natural gas and LPG to residential, industrial and commercial users. The Group also builds and operates compressed natural gas/LNG fueling stations while developing and applying natural gas and LPG technologies. At the Company, over two decades of exploration and growth were translated into a full-fledged business portfolio centered around piped gas, stretching across LPG, LNG, smart energy services, gas equipment and kitchen appliances and grid-based new retail in the private domain backed by stores.

The Vendor is a wholly owned subsidiary of the Company and is principally engaged in, among other things, investment in and establishment of industrial business and technological development and application of natural gas pipeline.

INFORMATION ON THE YPH GROUP, THE PURCHASER AND ELECTRONIC BUSINESS

YPH is a company incorporated in the Cayman Islands with limited liability and a non-wholly owned subsidiary of the Company, owned as to 71% by the Company, 23.5% by Mr. LIU through his wholly-owned company, Wonderful Pearl (BVI) Limited, and 5.5% by TrustCo. The YPH Group is principally engaged in the sale and provision of kitchen-focused household products and services including, among others, kitchen appliances, gas safety products, other household products and other services including residential upgrade solutions. The YPH Group is customer demand-driven, and through professional and market-oriented operations, it continuously enhances the competitiveness of the Group's traditional core businesses and contributes to the Group's overall performance in gas business, safety operations, customer services, value-added business, new energy business and digital development.

The Purchaser is an investment holding company established under the laws of China with limited liability and is wholly-owned by YPH.

Electronic Business is an investment holding company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of YPH.

DEFINITIONS

The following expressions have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	China Gas Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 384)
“Comparable Companies”	publicly listed companies that were considered to be comparable to the Target Company by the Valuer
“Completion”	the completion of the Equity Transfer in accordance with the terms and conditions of the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Electronic Business”	Electronic Business Development Company Limited (電子商務發展有限公司), a company incorporated in the British Virgin Islands with limited liability and a non-wholly owned subsidiary of the Company
“Electronic Business Group”	Electronic Business and its subsidiaries
“Equity Interest”	50.66% of the entire equity interest in the Target Company, which is being disposed of by the Vendor pursuant to the terms and conditions of the Equity Transfer Agreement
“Equity Transfer”	the transfer by the Vendor and the acceptance by the Purchaser of the Equity Interest in accordance with the terms and conditions of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 6 February 2026 entered into between the Vendor and the Purchaser in relation to the Equity Transfer
“Gas Metering and Water Metering Products Procurement Framework Agreement”	the gas metering and water metering products procurement framework agreement entered into between the Company and Electronic Business on 6 February 2026, in relation to the provision of gas metering and water metering products by the YPH Group to the Parent Group, for a term commencing from 6 February 2026 and ending on 31 March 2028

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. LIU”	Mr. LIU Ming Hui, the chairman of the Board, the president of the Group, an executive Director and a substantial Shareholder
“Parent Group”	the Group excluding the YPH Group
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Shanghai Rendi”	Shanghai Rendi Automation Engineering Co., Ltd.* (上海人地自動化工程有限公司), a company established under the laws of China with limited liability and an independent third party of the Company
“Shenzhen YPH” or “Purchaser”	Shenzhen YPH Investment Development Limited* (深圳市壹品慧投資發展有限公司), a company established under the laws of China with limited liability and a non-wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Huatong Gas Equipment (Hebei) Limited* (河北華通燃氣設備有限公司), a company established under the laws of China with limited liability
“TrustCo”	YPH Share Award Scheme Limited, a company incorporated in the British Virgin Islands with limited liability and incorporated for the purpose of holding shares of YPH on trust for the grantees of the future share incentive plan of YPH
“Valuation”	the valuation of 100% equity interest in the Target Company as at the Valuation Date

“Valuation Date”	31 December 2025
“Valuation Report”	the valuation report assessing the market value of a 100% equity interest in the Target Company upon Completion as of 31 December 2025 prepared by the Valuer
“Valuer”	CHFT Advisory and Appraisal Ltd. (華坊諮詢評估有限公司)
“YPH”	YPH Inc. (壹品慧生活控股有限公司), a limited liability company incorporated in the Cayman Islands and a non-wholly owned subsidiary of the Company
“YPH Group”	YPH and its subsidiaries (including Electronic Business and Shenzhen YPH)
“Zenner Metering”	Zenner Metering Technology (Shanghai) Ltd.* (上海真蘭儀錶科技股份有限公司), a company established under the laws of China with limited liability whose issued shares are listed on the Shenzhen Stock Exchange (Stock Code: 301303.SZ), and an independent third party of the Company
“Zhongran Gas” or “Vendor”	China Gas Industrial (Shenzhen) Limited* (中燃燃氣實業(深圳)有限公司), a company established under the laws of China with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent or percentage

In this announcement, RMB to HK\$ is calculated based on an exchange rate (for illustrative purposes only) of HK\$1 = RMB0.90.

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

Hong Kong, 6 February 2026

As at the date of this announcement, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Ms. LI Ching, Ms. LIU Chang, Mr. ZHAO Kun and Prof. LIU Mingxing are the executive Directors; Mr. XIONG Bin, Mr. Ayush GUPTA and Ms. ZHOU Xueyan are the non-executive Directors; and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. CHEN Yanyan, Mr. ZHANG Ling and Dr. MA Weihua are the independent non-executive Directors.

* For identification purposes only