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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)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
THE BIOMASS GAS PROJECTS OPERATIONS MANAGEMENT
FRAMEWORK AGREEMENT
AND
THE BIOMASS EQUIPMENT PROCUREMENT FRAMEWORK AGREEMENT**

THE BIOMASS GAS PROJECTS OPERATIONS MANAGEMENT FRAMEWORK AGREEMENT

On 23 July 2026, China Gas Biomass Asia, a non-wholly owned subsidiary of the Company, and Yichun Operations entered into the Biomass Gas Projects Operations Management Framework Agreement, pursuant to which Yichun Operations agreed to provide the Biomass Parent Group with operations management services in respect of the Yichun Biomass Gas Projects, for a term commencing from 23 July 2026 and ending on 31 March 2029.

THE BIOMASS EQUIPMENT PROCUREMENT FRAMEWORK AGREEMENT

On 23 July 2026, China Gas Biomass Asia, a non-wholly owned subsidiary of the Company, and Zhongran Leihao entered into the Biomass Equipment Procurement Framework Agreement, pursuant to which Zhongran Leihao agreed to supply biomass related equipment and services to the Biomass Parent Group, for a term commencing from 23 July 2026 and ending on 31 March 2029.

IMPLICATIONS UNDER THE LISTING RULES

Dr. LIU Mingxing is an executive Director. Ms. SONG Ying is the spouse of Dr. LIU Mingxing. As at the date of this announcement, Yichun Operations is owned as to 30% by Zhongran Leihao. Zhongran Leihao is in turn owned as to 75% by China Digital, which is wholly-owned by Ms. SONG Ying. Accordingly, each of Yichun Operations and Zhongran Leihao is an associate of Dr. LIU Mingxing and therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions under the CCT Agreements 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 each of the CCT Agreements exceed 0.1% but all of them are less than 5%, the entering into the CCT Agreements 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.

THE CCT AGREEMENTS

The Biomass Gas Projects Operations Management Framework Agreement

Introduction

On 23 July 2026, China Gas Biomass Asia, a non-wholly owned subsidiary of the Company, and Yichun Operations entered into the Biomass Gas Projects Operations Management Framework Agreement, pursuant to which Yichun Operations agreed to provide the Biomass Parent Group with operations management services in respect of the Yichun Biomass Gas Projects, for a term commencing from 23 July 2026 and ending on 31 March 2029.

Date: 23 July 2026

Parties:

- (1) China Gas Biomass Asia (for itself and on behalf of other members of the Biomass Parent Group (namely the subsidiaries of China Gas Biomass Asia other than Yichun Operations))
- (2) Yichun Operations

Term: Commencing from 23 July 2026 and ending on 31 March 2029.

Major Terms: Yichun Operations shall provide the Biomass Parent Group with operations management services in respect of the Yichun Biomass Gas Projects. Such services shall include:

- (i) production operation management: biomass feedstock coordination, gasification production, gas purification, transmission, production capacity regulation, daily start-up and shutdown procedures, and monitoring of operational condition;
- (ii) equipment and facility maintenance: equipment and facility inspections, maintenance, repair, fault diagnosis and spare parts management;

- (iii) safety and environmental protection management: implementation of workplace safety system, safety inspections, hazard identification and rectification, safety training, emergency drills, fire safety management and ensuring environmental compliance;
- (iv) business and records management: compilation of operational data, energy consumption accounting, preparation of production capacity statistics, cost control, preparation of operational reports, file management and regulatory reporting;
- (v) personnel management: formation of project operations team, staffing, attendance management, training and performance assessment; and
- (vi) other supporting services: project supply assurance, customer liaison, emergency response, project optimization and formulation of annual operation plans.

The Biomass Gas Projects Operations Management Framework Agreement does not impose any obligation on the parties. The provision of operations management services shall be subject to supplemental contracts to be entered into between relevant members of the Biomass Parent Group and Yichun Operations, provided that such contracts do not contradict the terms of the Biomass Gas Projects Operations Management Framework Agreement.

Price Determination:

The service fees payable by the Biomass Parent Group shall be determined after arm's length negotiation between the parties, with reference to the scope and nature of services being provided, expected costs to be incurred by Yichun Operations in respect of the services being provided (including personnel costs, operations management costs, and maintenance and repair costs) and the prevailing market prices for comparable operations management services offered by independent third parties.

The specific service fees payable shall be agreed by the parties and set out in the supplemental contracts to be entered into between the relevant members of the Biomass Parent Group and Yichun Operations.

The supplemental contracts to be entered into between the relevant member of the Biomass Parent Group and Yichun Operations shall be on normal commercial terms, fair and reasonable, and on terms no less favorable to the Company than those available from independent third parties for the provision of comparable services.

Payment: Invoicing, payment and settlement terms shall be agreed upon and specified in the supplemental contracts to be entered into between the relevant members of the Biomass Parent Group and Yichun Operations.

The Biomass Equipment Procurement Framework Agreement

On 23 July 2026, China Gas Biomass Asia, a non-wholly owned subsidiary of the Company, and Zhongran Leihao entered into the Biomass Equipment Procurement Framework Agreement, pursuant to which Zhongran Leihao agreed to supply biomass related equipment and services to the Biomass Parent Group in respect of the Yichun Biomass Gas Projects, for a term commencing from 23 July 2026 and ending on 31 March 2029.

Date: 23 July 2026

Parties:

- (1) China Gas Biomass Asia (for itself and on behalf of other members of the Biomass Parent Group (namely the subsidiaries of China Gas Biomass Asia other than Yichun Operations))
- (2) Zhongran Leihao

Term: Commencing from 23 July 2026 and ending on 31 March 2029.

Major Terms: The Group shall purchase and Zhongran Leihao shall supply biomass related equipment and services in respect of the Yichun Biomass Gas Projects. Such equipment shall include:

- (i) biomass gasification equipment: various biomass feedstock gasifiers, feeding systems, slag discharge systems, combustion support systems, gasification control modules, and biomass pre-treatment supporting equipment;
- (ii) coal gasification equipment: coal gasification reactors, pressurized gasification equipment, gas transmission units, furnace components, and pressure regulation equipment; and
- (iii) gas purification equipment: gas desulfurization equipment, decarbonization equipment, dust removal equipment, dehydration equipment, impurity removal equipment, gas filtration equipment, pressure stabilization and purification systems, odor treatment equipment, and gas purification modules.

Related services include equipment inspection, packaging, transportation, delivery, installation guidance, commissioning, trial operation, equipment start-up and acceptance services, technical training, warranty services, and other equipment modification, upgrade and/or customization services.

The Biomass Equipment Procurement Framework Agreement does not impose any sale or purchase obligation on the parties, and the sale and purchase of equipment or the provision of services shall be subject to separate contracts to be entered into between the relevant members of the Biomass Parent Group and Zhongran Leihao, provided that such contracts do not contradict the terms of the Biomass Equipment Procurement Framework Agreement.

Price Determination:

The price of equipment and/or services shall be determined in accordance with the following principles:

- (i) the price at which Zhongran Leihao supplies such equipment and/or services of the same model, specification and configuration to unrelated independent third parties in the same time period;
- (ii) with reference to publicly available domestic or international market quotations and industry guideline prices for similar equipment, taking into account equipment configuration, technical standards, and delivery timeline; and
- (iii) for customized equipment, the price shall be determined on a cost-plus method, namely by taking into account the reasonable costs incurred in providing such equipment (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 equipment and/or profit margins of at least two comparable items of equipment, where available, to determine whether the profit charged is in line with the industry.

The individual contracts to be entered into between the relevant members of the Biomass Parent Group and Zhongran Leihao 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 equipment from independent third parties.

Payment:

Invoicing, payment and settlement terms shall be agreed upon and specified in the individual contracts to be entered into between the relevant members of the Biomass Parent Group and Zhongran Leihao.

HISTORICAL AMOUNTS AND BASIS FOR DETERMINING THE ANNUAL CAPS

The historical transaction amount for the period from 1 April 2025 to the date of this announcement in respect of the Biomass Equipment Procurement Framework Agreement as well as the annual caps for each of the CCT Agreements are set out below:

	Historical amount from 1 April 2025 to the date of this announcement (RMB million)	Transaction cap from 23 July 2026 to 31 March 2027 (RMB million)	Annual cap for the year ending 31 March 2028 (RMB million)	Annual cap for the year ending 31 March 2029 (RMB million)
Biomass Gas Projects Operations Management Framework Agreement	–	320.56	442.06	717.87
Biomass Equipment Procurement Framework Agreement	31.98	214.02	98.07	180.00

There was no historical transaction amount between China Gas Biomass Asia and Yichun Operations in respect of the transactions contemplated under the Biomass Gas Projects Operations Management Framework Agreement.

The annual caps for the Biomass Gas Projects Operations Management Framework Agreement were determined taking into account: (i) expected scale of operations of the Yichun Biomass Gas Projects, including the number of projects and their respective production capacities; (ii) the estimated labour costs of the personnel required for the provision of services; (iii) operations management costs including record upkeep and administration fees and expenses; (iv) estimated maintenance costs for the Yichun Biomass Gas Projects, including equipment maintenance and repair costs, spare parts costs and facility upkeep costs; (v) other operations management costs; and (vi) a reasonable buffer to cater for potential increases in labor and service costs.

The annual caps for the Biomass Equipment Procurement Framework Agreement were determined taking into account: (i) expected transaction amount based on the existing and anticipated demand for biomass equipment and services of the Yichun Biomass Gas Projects; (ii) prevailing market prices for comparable biomass equipment and services; and (iii) the anticipated expansion of the Group's biomass energy business and the growing demand for clean energy solutions in the PRC.

The Directors (including the independent non-executive Directors) consider that the annual caps under the respective CCT Agreements are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INTERNAL CONTROLS FOR THE CONTINUING CONNECTED TRANSACTIONS

The pricing policy for the continuing connected transactions of the Group under the CCT Agreements 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 its Shareholders as a whole. In addition to complying 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 relevant CCT Agreements and the price and/or fees charged for a specific transaction is fair and reasonable and in accordance with the pricing policy.

In respect of the Biomass Gas Projects Operations Management Framework Agreement, the Company has in place internal control policies to ensure that the transactions under the Biomass Gas Projects Operations Management Framework Agreement will not be prejudicial to the interests of the Company and its Shareholders as a whole. The Company shall seek to obtain quotations from at least two independent third-party service providers on an annual basis (if available), and before entering into each supplemental contract, the finance department of the Company shall compare the terms (including the service fees) offered by such independent third-party service providers (if available) and compare those with the terms offered by Yichun Operations in respect of the operations management services to ensure that the terms offered by Yichun Operations are no less favorable than those offered by independent third parties. The Company will endeavor to negotiate with Yichun Operations in good faith with a view to complying with the pricing principles.

In respect of the Biomass Equipment Procurement Framework Agreement, the Company has in place internal control policies to ensure that the transactions under the Biomass Equipment Procurement Framework Agreement will not be prejudicial to the interests of the Company and its Shareholders as a whole. The Company will review from time to time (i) the terms offered by at least two comparable independent third-party suppliers and compare those with the terms of the Biomass Equipment Procurement Framework Agreement; and (ii) the price offered by such comparable independent third-party suppliers or the price assessed by an independent third-party valuation agency, as applicable and where available, and compare that with the price offered by Zhongran Leihao to ensure that the terms and price offered are no less favorable than those offered by independent third parties. The Company will endeavor to negotiate with Zhongran Leihao 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 for 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 respective CCT Agreements 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 Board comprising independent non-executive Directors will review the transactions under the respective CCT Agreements 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 THE CCT AGREEMENTS

The Group is one of 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 transportation facilities, and gas logistics systems to deliver natural gas and liquefied petroleum gas (LPG) to residential, industrial and commercial users. The Group also builds and operates compressed natural gas (CNG)/liquefied natural gas (LNG) fueling stations while developing and applying natural gas and LPG technologies. The Group has been actively expanding its biomass energy business as part of its strategic commitment to clean and renewable energy. Biomass energy is expected to play an important role in the future green energy market given its various advantages including renewability, environmental friendliness, abundance, and low carbon emissions. The United Nations Environment Programme also emphasized the importance of biomass energy in substituting non-renewable energy and fossil fuels. The Company's biomass energy project was conceived and is being driven by Dr. LIU Mingxing, who has a deep understanding of biomass technology and market. The other executive Directors also play a valuable role in supporting the development of this new business segment and strategic initiative.

The Biomass Gas Projects Operations Management Framework Agreement

The Group hopes to maintain a high operational standard as it operates, develops and expands its biomass energy projects. In this regard, Yichun Operations possesses the relevant qualifications and capabilities to provide comprehensive operational management services for the Group's biomass energy projects. The entry into the Biomass Gas Projects Operations Management Framework Agreement thus allows the Biomass Parent Group to leverage Yichun Operations' professional capabilities and operational experience to ensure consistent operational standards and enhance the operational efficiency of the Yichun Biomass Gas Projects.

The Biomass Equipment Procurement Framework Agreement

The procurement of biomass related equipment and services is essential to supporting the ongoing development and expansion of the Group's biomass energy projects. In this regard, Zhongran Leihao is specialized in the research, development and manufacturing of biomass related equipment and has the capacity to provide comprehensive supporting services including installation guidance, commissioning, technical training and warranty services. The entering into of the Biomass Equipment Procurement Framework Agreement thus enables the Biomass Parent Group to secure a reliable supply of equipment and services on competitive terms, supporting the operation of the Biomass Parent Group's biomass energy projects.

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

INFORMATION ON THE PARTIES

China Gas Biomass Asia

China Gas Biomass Asia is a company incorporated in Hong Kong and a non-wholly owned subsidiary of the Company and is principally engaged in the investment, development and operation of biomass energy-related projects. China Gas Biomass Asia is owned directly as to 60%, 30% and 10% by the Company, Shining Innovation and Dragon Media, respectively.

Yichun Operations

Yichun Operations is a company incorporated in the PRC and is principally engaged in biomass related business. Yichun Operations is owned as to 70% and 30% by Shenzhen Operations Management and Zhongran Leihao, respectively. Shenzhen Operations Management is in turn a wholly-owned subsidiary of China Gas Biomass Asia. Zhongran Leihao is in turn owned as to 75% by China Digital, which in turn is wholly-owned by Ms. SONG Ying.

Zhongran Leihao

Zhongran Leihao is a company incorporated in the PRC and is principally engaged in the research, development, manufacture and supply of biomass related equipment and services. Zhongran Leihao is beneficially owned as to 75% by Ms. SONG Ying through her wholly-owned company, China Digital. The remaining 25% is held by seven other independent third parties.

IMPLICATIONS UNDER THE LISTING RULES

Dr. LIU Mingxing is an executive Director. Ms. SONG Ying is the spouse of Dr. LIU Mingxing. As at the date of this announcement, Yichun Operations is owned as to 30% by Zhongran Leihao. Zhongran Leihao is in turn owned as to 75% by China Digital, which is wholly-owned by Ms. SONG Ying. Accordingly, each of Yichun Operations and Zhongran Leihao is an associate of Dr. LIU Mingxing and therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions under the CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Dr. LIU Mingxing abstained from voting on the Board resolutions approving the CCT Agreements and their respective annual caps. Each of Mr. LIU Ming Hui and Ms. LIU Chang also abstained from voting on such Board resolutions by virtue of their family relationship with Dr. LIU Mingxing. Save and except for the aforesaid, none of the Directors had any material interest in any of the transactions contemplated under the CCT Agreements and no Director was required to abstain from voting on the Board resolutions for approving the CCT Agreements and their 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 each of the CCT Agreements exceed 0.1% but all of them are less than 5%, the entering into the CCT Agreements 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.

DEFINITIONS

The following expressions have the following meanings in this announcement:

“Board”	the board of Directors
“Biomass Equipment Procurement Framework Agreement”	the biomass equipment procurement framework agreement dated 23 July 2026 entered into between China Gas Biomass Asia and Zhongran Leihao in relation to the supply of biomass related equipment and services in respect of the Yichun Biomass Gas Projects by Zhongran Leihao to the Biomass Parent Group, for a term commencing from 23 July 2026 and ending on 31 March 2029

“Biomass Gas Projects Operations Management Framework Agreement”	the biomass gas projects operations management framework agreement dated 23 July 2026 entered into between China Gas Biomass Asia and Yichun Operations in relation to the provision of operations management services in respect of the Yichun Biomass Gas Projects by Yichun Operations to the Biomass Parent Group, for a term commencing from 23 July 2026 and ending on 31 March 2029
“Biomass Parent Group”	China Gas Biomass Asia and its subsidiaries, excluding Yichun Operations
“CCT Agreements”	collectively, the Biomass Gas Projects Operations Management Framework Agreement and the Biomass Equipment Procurement Framework Agreement
“China Digital”	China Digital Energy Development Limited (中國數字能源發展有限公司), a company incorporated in the British Virgin Islands and wholly-owned by Ms. SONG Ying
“China Gas Biomass Asia”	China Gas Biomass Energy Technology (Asia) Limited (中燃生物質能源科技(亞洲)有限公司), a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of the Company
“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)
“Director(s)”	the director(s) of the Company
“Dr. LIU Mingxing”	Dr. LIU Mingxing, an executive Director, the younger brother of Mr. LIU Ming Hui and the uncle of Ms. LIU Chang
“Dragon Media”	Dragon Media Enterprises Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. HUANG Yong, an executive Director
“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 Ming Hui”	Mr. LIU Ming Hui, the chairman of the Board, the president of the Group, an executive Director and a substantial Shareholder
“Ms. SONG Ying”	Ms. SONG Ying, the spouse of Dr. LIU Mingxing
“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
“Shenzhen Operations Management”	China Gas Biomass Operations Management (Shenzhen) Co., Ltd.* (中燃生物質運營管理(深圳)有限公司), a company established under the laws of China with limited liability and a non-wholly owned subsidiary of the Company
“Shining Innovation”	Shining Innovation Limited, a company incorporated in the British Virgin Islands, which is held by Mr. LIU Ming Hui and Dr. LIU Mingxing as to 50:50
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yichun Biomass Gas Projects”	several biomass gas related projects owned and developed by the members of the Biomass Parent Group in the Yichun area of Jiangxi Province, the PRC
“Yichun Operations”	China Gas Green Energy Brand Operations (Yichun) Co., Ltd.* (中燃綠能品牌運營(宜春)有限公司), a company established under the laws of China with limited liability, which is owned as to 70% by Shenzhen Operations Management and 30% by Zhongran Leihao

“Zhongran Leihao”

Zhongran Leihao (Tianjin) Technology Co., Limited* (中燃雷浩(天津) 科技有限公司), a company established under the laws of China with limited liability and a non-wholly-owned subsidiary of China Digital

“%”

per cent or percentage

In this announcement, RMB to HK\$ is calculated based on an exchange rate (for illustrative purposes only) of HK\$1 = RMB0.87.

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

Hong Kong, 23 July 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 Dr. 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*