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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 THE DEPARTMENT OF HOUSING AND URBAN-RURAL DEVELOPMENT OF SHANDONG PROVINCE**

This announcement is a voluntary announcement made by China Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

#### **THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

The board of directors (the “**Board**”) of the Company is pleased to announce that, on behalf of the People’s Government of Shandong Province, the Department of Housing and Urban-Rural Development of Shandong Province (the “**Department of Housing of Shandong Province**”) has entered into a strategic cooperation framework agreement (the “**Strategic Cooperation Framework Agreement**”) with the Company on 22 September 2017, in relation to the extensive cooperation between both parties in terms of pushing forward urban and rural “gas for coal replacement”, projects such as transformation of coal-fired boilers, the construction of gas-fired thermoelectric facilities and liquefied natural gas refilling stations in Shandong Province, so as to steadily promote the adjustment in energy structure and the reform of rural lifestyle in Shandong Province.

Pursuant to the Strategic Cooperation Framework Agreement, both parties agreed to cooperate in the following areas: (i) the Department of Housing of Shandong Province has agreed to position the Company as an important partner in promoting urban and rural “gas for coal replacement”, and will support the Company to carry out the construction planning and implementation of “gas for coal replacement”. From 2017 to 2020, the Company will complete the “gas for coal replacement” work for approximately 2,000,000 urban and rural households in Shandong Province, and will be responsible for their operation, maintenance and management. In 2017, the Department of Housing of Shandong Province will select certain counties (cities, districts) to carry out the pilot

construction of “gas for coal replacement”. The Company will be responsible for the gas supply of “gas for coal replacement”, and will supply not less than 2 billion m<sup>3</sup> of natural gas annually to Shandong Province by 2020; and (ii) the Department of Housing of Shandong Province will support the Company in site selection for the construction of projects such as gas-fired thermoelectric facilities and liquefied natural gas refilling stations in Shandong Province.

The Group believes that there is a significant development potential in the natural gas market in Shandong Province, China. Through the cooperation under the Strategic Cooperation Framework Agreement, both parties will be able to build a strategic partnership to achieve sustainable development and maximize their corporate and social benefits through integrating the advantages and resources of one another and accelerating natural gas market expansion and integration, as well as project construction.

By order of the Board  
**China Gas Holdings Limited**  
**ZHOU Si**  
*Chairman*

Hong Kong, 24 September 2017

*As of the date of this announcement, Mr. ZHOU Si, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Mr. MA Jinlong and Ms. LI Ching are the executive directors of the Company; Mr. YU Jeong Joon (his alternate being Mr. KIM Yong Joong), Mr. LIU Mingxing, Mr. Arun Kumar MANCHANDA and Mr. JIANG Xinhao are the non-executive directors of the Company; and Mr. ZHAO Yuhua, Dr. MAO Erwan, Ms. WONG Sin Yue Cynthia, Mr. HO Yeung and Ms. CHEN Yanyan are the independent non-executive directors of the Company.*

\* *For identification purpose only*