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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)

GRANT OF SHARE OPTIONS UNDER SHARE OPTION SCHEME

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of China Gas Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that the Board has resolved to grant share options (the “**Options**”) pursuant to the share option scheme adopted by the Company on 20 August 2013 (the “**Scheme**”) to an external consultant (the “**Grantee**”), which entitles the Grantee to subscribe for ordinary shares (the “**Shares**”) of HK\$0.01 each in the share capital of the Company. Details of the Options granted are set out below:

Date of grant:	24 May 2023 (the “ Date of Grant ”)
Exercise price of Options granted:	HK\$10.50 per Share, which is higher than (i) the closing price of HK\$9.55 per Share as stated in the daily quotations sheet of the Stock Exchange on the Date of Grant; (ii) the average closing price of HK\$10.04 per Share as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of the Share of HK\$0.01
Total number of Options granted under this announcement:	3,000,000 (the holder of the Option is entitled to subscribe for one Share for each option)
Closing price of the Shares on the Date of Grant:	HK\$9.55 per Share

Validity period of the Options and vesting period of the Options:	The Options are valid for a period of two years from the Date of Grant, and subject to the fulfilment of the performance targets as set forth below and the Options not being cancelled pursuant to the clawback mechanism as described below, shall be vested within two years from the Date of Grant.
Performance target:	The exercise of the Options is subject to the Grantee meeting the performance targets to be determined by the Company from time to time, and the Company will determine whether the Grantee meets such performance targets based on the performance appraisal results and taking into account factors such as the Grantee's contributions towards the long-term development of the Company.
Exercise condition and clawback mechanism:	Exercise of the Options is also subject to the condition that a Grantee shall remain as an external consultant of the Company at the time of exercise of Options. In addition, the Options will lapse on the date of a Grantee ceasing to provide service to the Company, or in the event of serious misconduct, bankruptcy, insolvency, conviction of any criminal offence, or other breach of the terms of his service contract by the Grantee, among other things, unless otherwise determined by the Company.
Financial assistance:	The Group has not provided any financial assistance to the Grantee to facilitate the subscription of Shares under the Scheme.

Pursuant to the terms of the Scheme, the Board may, in its absolute discretion, invite any person or entity that provides research, development or other technological support or any advisory, consultancy or professional services to any member of the Group or any director or employee of any such entity, that contributes to the development and growth of the Group, to participate in the Scheme. The Options will furnish the Grantee with a personal stake in the Company, thus incentivizing the Grantee to contribute to the long-term development and growth of the Group for the benefit of the shareholders of the Company, and align the interests of the Group with the Grantee's interests. The Grantee has over 16 years of work experiences involving large scale PRC companies and various sectors. The Grantee is engaged by the Company as a corporate communications and public relations consultant, who shall provide services to the Company on a continuing basis that are conducive to the long-term development of the Company's ordinary and usual course of business, and the scope of services shall mainly include providing professional analysis and advice in respect of the Company's corporate communications, positioning and strengths in the industry and capital market, with a view to enhancing the competitiveness of the Company in the above matters.

In determining the grant of Options to the Grantee, the Board has considered factors such as (i) the Grantee's expected contributions to the growth and development of the Group with regard to the quality of services expected to be provided; (ii) the Grantee's work experience, knowledge, recognitions and

connections in the industry which could be valuable to the Group; (iii) the continuity of services to be provided to the Company; and (iv) the vesting period and performance targets, which will motivate the Grantee to provide high quality services to the satisfaction of the Company. In view of the above, the Directors consider that the grant of the Options to the Grantee is in line with the objective and purpose of the Scheme and the interests of the Company and its shareholders taken as a whole.

The remuneration committee of the Company is also of the view that the grant of the Options will give the Grantee incentives to make contribution to the growth of the Group, and the vesting period and the clawback mechanism for the Options allows the Company to clawback the equity incentives granted to Grantee in case of early termination of consultancy service or otherwise in case of circumstances such as serious misconduct, and is in line with the purpose of the Scheme and the interests of the Company and its shareholders taken as a whole.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Grantee is not (i) a director, chief executive, substantial shareholder of the Company or an associate of any of the aforesaid; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

Upon granting the Options, the number of Shares available for future grant under the Scheme is 250,135,897 Shares, subject to refreshment of the scheme mandate limit.

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

Hong Kong, 24 May 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*