
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in China Gas Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without China Gas Holdings Limited having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities.



CHINA GAS HOLDINGS LIMITED
中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 MARCH 2024**

* For identification purpose only

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“2013 Share Option Scheme”	the share option scheme of the Company which was adopted by way of an ordinary resolution passed by the Shareholders at the annual general meeting held on 20 August 2013 and expired on 20 August 2023
“AGM”	the annual general meeting of the Company held at China Gas Building, 188 Meiyuan Road, Luohu District, Shenzhen, Guangdong Province, China at 10:00 a.m. on Wednesday, 21 August 2024
“Board”	the board of directors of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	China Gas Holdings Limited (Stock Code: 384), a company incorporated in Bermuda with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Election Form”	the form of election in relation to the Scrip Dividend Scheme
“Eligible Shareholders”	the Shareholders whose names appeared on the register of members of the Company on the Record Date
“Excluded Shareholder(s)”	the Shareholder(s), as decided by the directors of the Company, to be excluded from participating in the Scrip Dividend Scheme under Rule 13.36(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Final Dividend”	the final dividend of 35 HK cents per Share for the year ended 31 March 2024 payable on or around Friday, 4 October 2024 to Eligible Shareholders
“HKSCC”	the Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Share Registrar”	Computershare Hong Kong Investor Services Limited
“Latest Practicable Date”	Thursday, 29 August 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New Share(s)”	the new Share(s) credited as fully paid to be issued under the Scrip Dividend Scheme
“Overseas Shareholders”	Shareholders whose addresses as shown on the register of members of the Company on the Record Date were in places outside Hong Kong
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this circular
“Record Date”	Thursday, 29 August 2024, being the date for determining the Shareholders who qualify for the Final Dividend
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the annual results announcement of the Company on Monday, 24 June 2024 which offers Shareholders a scrip alternative whereby Shareholders may elect to receive the Final Dividend wholly or partly by the allotment of New Shares in lieu of cash
“Share(s)”	the share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

Executive Directors:

Mr. LIU Ming Hui (Chairman)

Mr. HUANG Yong

Mr. ZHU Weiwei

Ms. LI Ching

Ms. LIU Chang

Mr. ZHAO Kun

Non-executive Directors:

Mr. XIONG Bin (Vice Chairman)

Mr. LIU Mingxing

Mr. JIANG Xinhao

Mr. Ayush GUPTA

Independent Non-executive Directors:

Mr. ZHAO Yuhua

Dr. MAO Erwan

Ms. CHEN Yanyan

Mr. ZHANG Ling

Dr. MA Weihua

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal Place of
Business in Hong Kong:*

Room 1601, 16th Floor

Capital Centre, 151 Gloucester Road

Wan Chai

Hong Kong

5 September 2024

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 MARCH 2024**

INTRODUCTION

On 24 June 2024, the Company announced that the Board had declared the payment of the Final Dividend to Shareholders whose names appear on the register of members of

* For identification purpose only

LETTER FROM THE BOARD

the Company on the Record Date. The Final Dividend was approved by the Shareholders in the AGM. Eligible Shareholders may elect to receive the Final Dividend in cash, or in the form of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme.

The purpose of this circular is to provide you with the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Eligible Shareholders may elect to receive the Final Dividend in one of the following ways:

- (a) cash of 35 HK cents per Share; or
- (b) an allotment of such number of New Shares having a market value (as calculated below) equal to, save for adjustment for fractions, the amount of Final Dividend which Shareholders would otherwise be entitled to receive in cash in respect of 35 HK cents per Share; or
- (c) partly cash and partly New Shares.

BASIS OF ALLOTMENT OF NEW SHARES

For the purpose of calculating the number of New Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value of a New Share, which is calculated as equivalent to the average closing price of one Share as quoted on the Stock Exchange for the five consecutive trading days (on which such price is available) commencing from Friday, 23 August 2024 to Thursday, 29 August 2024 (both days inclusive), is HK\$6.61 per Share (the “**Average Closing Price**”). Accordingly, the number of New Shares which the Eligible Shareholders are entitled to receive in respect of the Shares registered in their names as at the Record Date is calculated as follows:

$$\begin{array}{rcccl} \text{Number of New Shares} & & \text{Number of Shares held} & & \text{HK\$0.35} \\ \text{to be received} & = & \text{on the Record Date} & \times & \text{(Final Dividend per Share)} \\ & & \text{and elected for} & & \\ & & \text{the New Shares} & & \hline & & & & \text{HK\$6.61} \\ & & & & \text{(Average Closing Price)} \end{array}$$

The number of New Shares to be issued to the Eligible Shareholders will be rounded down to the nearest whole number. Fractional entitlements to the New Shares in respect of choices (b) and (c) above will be paid in the form of cash dividend to the respective Shareholders concerned. The New Shares will, on issue, rank *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the New Shares except that they shall not be entitled to the Final Dividend.

LETTER FROM THE BOARD

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. It will also benefit the Company to the extent that cash which would otherwise have been paid to the Shareholders who elect to receive the New Shares, in whole or in part in lieu of cash dividend, will be retained for use as working capital of the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 5,435,573,172 Shares in issue as at the Record Date, if all Eligible Shareholders elect to receive the Final Dividend in cash, the total cash dividend payable by the Company would be approximately HK\$1,902,450,610. If all Eligible Shareholders elect to receive all of their entitlements to the Final Dividend in the form of New Shares in lieu of cash, based on the Average Closing Price, the maximum number of New Shares to be issued under the Scrip Dividend Scheme will be 287,814,010 Shares, representing approximately 5.30% of the issued share capital of the Company as at the Latest Practicable Date and approximately 5.03% of the issued share capital of the Company as enlarged by the issue of such New Shares. The New Shares are not renounceable.

As at the Latest Practicable Date, there were outstanding options for subscription of 3,000,000 Shares under the 2013 Share Option Scheme. Save as disclosed above, as at the Latest Practicable Date, the Company had no other outstanding options, warrants or other securities in issue which are convertible into or give rights to subscribe for, convert or exchange into, any Shares, as the case may be.

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

ELECTION FORM

An Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to receive the Final Dividend wholly in New Shares or partly in cash and partly in New Shares. Please read carefully the instructions below and the instructions printed on the Election Form.

If you wish to receive your Final Dividend wholly in cash, you DO NOT need to take any action and DO NOT need to return the Election Form. Shareholders who do not make an election to receive their Final Dividend in New Shares will receive their Final Dividend in cash.

LETTER FROM THE BOARD

If you wish to receive your Final Dividend wholly in New Shares, please just SIGN, DATE and RETURN the Election Form.

If you wish to receive your Final Dividend partly in cash and partly in New Shares, you should fill in Box C of the Election Form the number of registered Shares you held on the Record Date for which you wish your Final Dividend to be paid in New Shares and then SIGN, DATE and RETURN the Election Form.

If you do not specify the number of Shares in respect of which you wish to receive New Shares, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive only New Shares in respect of all the Shares registered in your name on the Record Date. Therefore, you will receive only New Shares for the Final Dividend.

The enclosed Election Form should be completed in accordance with the instructions printed thereon and you should return the same to the Company's Hong Kong Branch Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, **by 4:30 p.m. on Friday, 20 September 2024**. The deadline for submission of Election Forms will be adjusted in the manner set out below if there is a tropical cyclone warning signal no. 8 or above, a "black" rainstorm warning or "extreme conditions" announced by the Government of Hong Kong (which may be made in the case where a Super Typhoon or other natural disasters of a substantial scale seriously affects the working public to resume work or bring safety concern for a prolonged period):

- (a) if the aforementioned warning signals are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 20 September 2024, then the deadline for submission of Election Forms will be 5:00 p.m. on the same business day; or
- (b) if the aforementioned warning signals are in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Friday, 20 September 2024, then the deadline for submission of Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have any of those warning signals in force at any time between 9:00 a.m. and 4:30 p.m.

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's Final Dividend being paid wholly in the form of cash. Election in respect of the Final Dividend cannot be in any way withdrawn, revoked, superseded, or altered after the relevant Election Form is signed and lodged with the Company's Hong Kong Branch Share Registrar. No acknowledgement of receipt of the Election Form will be issued.

LETTER FROM THE BOARD

SHAREHOLDERS RESIDING OUTSIDE HONG KONG

No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in that relevant territory such invitation could lawfully be made to that Shareholder without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities.

Based on the register of members of the Company, as at the Latest Practicable Date, there were 7 Overseas Shareholders with registered addresses in jurisdictions outside Hong Kong, namely the PRC, India and New Zealand who together held an aggregate of 150,081,298 Shares, representing approximately 2.76% of the total number of issued Shares as at the Latest Practicable Date. The Company has made enquiry in respect of the legal restrictions under the laws of such relevant places and the requirements of the relevant regulatory body or stock exchange in those places for the Company to extend the Scrip Dividend Scheme to the Overseas Shareholders. Based on the relevant legal opinions obtained, such Overseas Shareholders with registered addresses in the PRC and New Zealand are eligible to participate in the Scrip Dividend Scheme.

New Zealand

This circular is not a New Zealand product disclosure statement or other disclosure document and has not been registered or filed with or approved by any New Zealand regulatory authority under or in connection with the Financial Markets Conduct Act 2013 or the Financial Markets Conduct Regulations 2014 (or any other relevant New Zealand law). The New Shares being offered in New Zealand under the Scrip Dividend Scheme are being offered to Eligible Shareholders with a registered address in New Zealand in reliance upon the exclusion for dividend reinvestment plans under clause 10 of Schedule 1 to the Financial Markets Conduct Act 2013. Accordingly, this circular may not contain all the information that a product disclosure statement or other disclosure document is required to contain under New Zealand law or that may be required in order to make an informed investment decision about the Scrip Dividend Scheme or the Company. Shareholders may obtain, free of charge, an electronic copy of the Company's latest annual report at the websites of the Company (<https://www.chinagasholdings.com.hk>) and the Stock Exchange (www.hkexnews.hk). Alternatively, Shareholders in New Zealand may make a written request to the Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited by post or by email at chinagas.ecom@computershare.com.hk, and upon receipt of your request in writing, the printed version of the requested Company's latest annual report will be sent to you free of charge as soon as possible. The Company's latest annual report includes a copy of the Company's consolidated and audited financial statements for the most recent financial year of the Company, and a copy of Company's independent auditor's report in respect of those audited financial statements.

At the time the Average Closing Price is set, the Company will ensure that it has no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realizable price of the New Shares if the information were publicly available.

LETTER FROM THE BOARD

PRC Southbound Trading Investors

According to the “Stock Connect Shareholding Search” available on the Stock Exchange’s website (<https://www.hkexnews.hk>), as at the Latest Practicable Date, an aggregate of 767,397,585 Shares, representing approximately 14.12% of the total number of issued Shares, were held through the China Securities Depository and Clearing Corporation Limited (“ChinaClear”) as nominee under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the “PRC Southbound Trading Investors”).

Pursuant to the Frequently Asked Questions 18.4 issued by the Stock Exchange on 17 November 2014 and last updated on 11 June 2024 on the interpretation of the Listing Rules, investors from the PRC who are PRC Southbound Trading Investors can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the New Shares in respect of all or part of his/her/its holding of Shares in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediaries (including brokers, custodians, nominees or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediaries in relation to the election to receive the New Shares.

Excluded Shareholders

As at the Latest Practicable Date, there was 1 overseas shareholder with registered address in India who held an aggregate of 150,000,000 Shares, representing approximately 2.76% of the total number of issued Shares as at the Latest Practicable Date. Since local approval or filing or other procedures or formalities may be necessary to be carried out in relation to the Scrip Dividend Scheme by the Company and/or the shareholder so as to ensure compliance with the relevant regulatory requirements in India, the Directors, after having carefully weighed the legal restrictions under the laws of India and the requirements of the relevant regulatory body in India for the Company to extend the Scrip Dividend Scheme to shareholder in India, have decided that it would be expedient to exclude shareholders having registered addresses in India (the “Excluded Shareholder”) from the Scrip Dividend Scheme. Accordingly, the Election Form will not be sent to the Excluded Shareholder. However, this circular will be sent to the Excluded Shareholder for information only.

Notwithstanding the above, any Excluded Shareholder who is able to prove to the satisfaction of the Company that such Excluded Shareholder may legally participate in the Scrip Dividend Scheme in compliance with the relevant regulatory requirements in India will be entitled to participate in the Scrip Dividend Scheme. **Excluded Shareholder who wishes to participate in the Scrip Dividend Scheme should notify the Company forthwith.** Election Form will be sent to the Excluded Shareholder if the Excluded Shareholder can prove to the satisfaction of the Company that such action will not result in a contravention of any applicable legal or regulatory requirements. In any event, the completed Election Form should be returned to and received by the Registrar, at the address and before the time set out in the paragraph headed “ELECTION FORM” above.

LETTER FROM THE BOARD

General

Notwithstanding the enquiries made by the Company with its legal advisers, it is the responsibility of any Shareholder with a registered address outside Hong Kong or otherwise residing outside Hong Kong to consult their professional advisers as to whether they are permitted to receive New Shares under the Scrip Dividend Scheme or if any governmental or other consent is required or other formalities need to be observed, the taxation consequences of their decision and whether there are any restrictions on their handling of any New Shares so acquired (such as the sale of them). Overseas Shareholders residing in a jurisdiction where their participation in the Scrip Dividend Scheme is not permitted under the law of that place will be deemed to have received this circular and an Election Form for information only.

It is also the responsibility of any person who receives New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive New Shares in lieu of the cash dividend must also comply with any restrictions on the resale of the Shares which may apply outside Hong Kong.

For the avoidance of doubt, the New Shares are not being offered to the public and the rights of the Shareholders to elect and receive New Shares as well as the Election Form is not transferable.

CONDITIONS OF SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares.

In the unlikely event that the above condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void, and the Final Dividend will then be paid wholly in cash.

SHARE CERTIFICATES AND STOCK EXCHANGE LISTING

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares. It is expected that the share certificates for the New Shares and cheques for cash dividends will be sent by ordinary mail to Shareholders at their own risk on or about Friday, 4 October 2024. The first day of dealings in the New Shares on the Stock Exchange is expected to be Monday, 7 October 2024.

The Shares are listed on and dealt in the Stock Exchange. There is no other stock exchange on which the Shares are listed or dealt in or on which listing or permission to deal is being or proposed to be sought.

LETTER FROM THE BOARD

CENTRAL CLEARING AND SETTLEMENT SYSTEM

Subject to the granting of the listing of, and permission to deal in, the New Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, the New Shares to be issued by the Company will be admitted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealers or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

GENERAL

New Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their Final Dividend in New Shares may be allocated in odd lots (of less than a board lot of 200 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to the Eligible Shareholders' advantage to receive cash or the New Shares, in whole or in part, depends upon their own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. The effect on the tax position of any Eligible Shareholder will depend on that Eligible Shareholder's particular circumstances. If you are in doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

LETTER FROM THE BOARD

TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme:

Ex-Final Dividend date Friday, 23 August 2024

Latest time to lodge the completed transfer forms
accompanied by the relevant share certificates
with the Company's Hong Kong Branch Share Registrar 4:30 p.m., on
Monday, 26 August 2024

Closure of the Company's register of members
for the purpose of determining Shareholders'
respective entitlements to the Final Dividend Tuesday, 27 August 2024 -
Thursday, 29 August 2024
(both days inclusive)

Record Date Thursday, 29 August 2024

Latest time for submission of
Election Forms (*Note 2*) 4:30 p.m., on
Friday, 20 September 2024

Expected date for the dispatch of
cheques for cash dividend and
share certificate for the New Shares Friday, 4 October 2024

Expected commencement date of
dealing of the New Shares Monday, 7 October 2024

Notes:

1. All references to dates and times in this circular are to Hong Kong dates and time.
2. If a tropical cyclone warning signal no. 8 or above, or "extreme conditions", or a "black" rainstorm warning signal is/are in force in Hong Kong at any time prior to 4:30 p.m. on 20 September 2024, the latest time for submission of Election Forms will be extended. Further information is set out in the section headed "Election Form" in this circular.

Yours faithfully,
By Order of the Board
China Gas Holdings Limited
LIU Ming Hui
Chairman and President