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

If you have sold or transferred all your shares in **Sino Gas Holdings Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, 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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**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Sino Gas Holdings Group Limited to be held at Room 3103, Block A1, Caifu Shiji Square, 13 Hai'an Road, Tianhe District, Guangzhou, the People's Republic of China on Monday, 8 June 2020 at 2:00 p.m. is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy for use at the Annual General Meeting in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 2:00 p.m. on Saturday, 6 June 2020 (Hong Kong time)) or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting or any adjourned meeting if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.sinogasholdings.com).

28 April 2020

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DEFINITIONS

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

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| “Annual General Meeting” | the annual general meeting of the Company to be held at Room 3103, Block A1, Caifu Shiji Square, 13 Haian Road, Tianhe District, Guangzhou, the PRC on Monday, 8 June 2020 at 2:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 14 to 17 of this circular, or any adjournment thereof |
| “Articles of Association” | the articles of association of the Company currently in force |
| “Board” | the board of Directors |
| “Company” | Sino Gas Holdings Group Limited (中油潔能控股集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange |
| “Companies Law” | the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands |
| “Director(s)” | the director(s) of the Company |
| “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 |
| “Issuance Mandate” | a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting |
| “Latest Practicable Date” | 20 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular |
| “Listing Date” | 28 December 2018, being the date of listing of the Shares on the Main Board of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time |

DEFINITIONS

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| “PRC” | the People’s Republic of China and for the purpose of this circular shall exclude Hong Kong and the Macau Special Administrative Region and Taiwan |
| “RMB” | renminbi, the lawful currency of the PRC |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company |
| “Share Repurchase Mandate” | a general mandate proposed to be granted to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time |

References to time and dates in this circular are to Hong Kong time and dates.



中油潔能
SINO GAS HOLDINGS GROUP LIMITED
中油潔能控股集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1759)

Executive Directors:

Mr. Ji Guang (*Chairman and Chief Executive Officer*)
Ms. Ji Ling (*Vice-Chairman*)
Ms. Cui Meijian
Mr. Zhou Feng

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Sheng Yuhong
Mr. Wang Zhonghua
Dr. Zheng Jian Peng

*Principal Place of Business and
Headquarters in the PRC:*

Room 3103, Block A1
Caifu Shi Ji Square
13 Haian Road, Tianhe District
Guangzhou, the PRC

Principal Place of

Business in Hong Kong:
Suite 708, 7/F, Tower 2
Silvercord, 30 Canton Road
Kowloon, Hong Kong

28 April 2020

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on 8 June 2020.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 105(A) of the Articles of Association, Ms. Ji Ling, Mr. Sheng Yuhong and Mr. Wang Zhonghua shall retire at the Annual General Meeting. All of the above Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Each of Mr. Sheng Yuhong and Mr. Wang Zhonghua, being independent non-executive Director eligible for re-election at the Annual General Meeting, has made an annual confirmation of independence with reference to the factors set out in Rule 3.13 of the Listing Rules.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including the aforesaid independent non-executive Directors who are due to retire at the Annual General Meeting. The Company considers that the retiring independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the Directors proposed for re-election at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 6 June 2019, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the Annual General Meeting (i.e. a total of 21,600,000 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED GRANTING OF GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 6 June 2019, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting (i.e. a total of 43,200,000 Shares on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the Annual General Meeting.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

5. ANNUAL GENERAL MEETING, PROXY AND CORPORATE REPRESENTATIVE ARRANGEMENT AND CLOSURE OF REGISTER OF MEMBERS

The notice of the Annual General Meeting is set out on pages 14 to 17 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.sinogasholdings.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 2:00 p.m. on Saturday, 6 June 2020 (Hong Kong time)) or any adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

In the case of an appointment of corporate representative by a corporate Shareholder (other than a Shareholder which is a clearing house (as defined in the Articles of Association) (or its nominee)), a copy of the resolution of its directors or other governing body of the Shareholder authorising the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the Shareholder's

LETTER FROM THE BOARD

constitutive documents and a list of directors or members of the governing body of the Shareholder as at the date of such resolution, or, as the case may be, power of attorney, certified by a director, secretary or a member of the governing body of that Shareholder and notarised, must be deposited at the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e. not later than 2:00 p.m. on Saturday, 6 June 2020 (Hong Kong time)) or the adjourned meeting (as the case may be).

For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 2 June 2020 to Monday, 8 June 2020, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, unregistered holders of Shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 1 June 2020.

6. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors and granting of the Share Repurchase Mandate and the Issuance Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Sino Gas Holdings Group Limited
Mr. Ji Guang
Chairman

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Ms. Ji Ling (姬玲女士)

Ms. Ji Ling (姬玲女士) (“Ms. Ji”), aged 30, is the Vice-Chairman of the Board, an executive Director and the financial controller of the Group. She joined the Group in April 2016 as the investment director of Guangdong Sino Gas Investment Company Limited (廣東中油潔能投資有限公司). She is primarily responsible for financial planning and strategic management of the Group and overseeing the internal control and risk management policies of the Group. Ms. Ji was appointed as a Director on 11 June 2018 and re-designated and/or appointed as an executive Director and the Vice-Chairman of the Board on 11 June 2018 and 22 November 2018 respectively. Since 2019, Ms. Ji was also appointed as the director of various subsidiaries of the Company.

Ms. Ji completed the programme of Associate of Business Administration at the School of Professional and Continuing Education Community College of The University of Hong Kong (HKUSPACE) in June 2009. She then obtained a degree of Bachelor of Science in Accounting and Finance from the University of East Anglia, the United Kingdom in July 2012 and a degree of Master of Science in Management of Information Technology from the University of Nottingham, the United Kingdom in December 2013. She is now pursuing an Executive Master of Business Administration (EMBA) degree at the PBC School of Finance, Tsinghua University (清華大學五道口金融學院), the PRC.

Before she joined the Group, Ms. Ji served as an auditor (審計員) of the audit and assurance department at Deloitte Touche Tohmatsu from October 2014 to February 2016.

Save as disclosed above, Ms. Ji did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Ji is the daughter of Mr. Ji Guang, the Chairman of the Board, the Chief Executive Officer of the Group and an executive Director. Save as disclosed herein, Ms. Ji does not have any relationship with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Ms. Ji entered into a service contract with the Company pursuant to which she agreed to act as an executive Director for an initial term of three years with effect from 1 December 2018 and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. Ms. Ji is entitled to a basic annual salary of RMB240,000 and a discretionary management bonus taking into consideration the financial performance of the Group and the contribution of Ms. Ji to the Group for the financial year concerned.

As at the Last Practicable Date, Ms. Ji was deemed to have interest in Shares held by J&Y Family Trust, a discretionary trust established by Mr. Ji Guang as founder and protector, under which she is a discretionary object. Save as disclosed herein, as at the Last Practicable Date, Ms. Ji did not have any interest in Shares or underlying Shares within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is Ms. Ji involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Ms. Ji that need to be brought to the attention of the Shareholders.

(2) Mr. Sheng Yuhong (盛宇宏先生)

Mr. Sheng Yuhong (盛宇宏先生) (“Mr. Sheng”), aged 52, was appointed as an independent non-executive Director on 22 November 2018. He is also the chairman of the Nomination Committee, a member of Audit Committee and Remuneration Committee of the Company.

Mr. Sheng obtained a Bachelor degree in Architecture from South China University of Technology, the PRC in July 1989. He subsequently obtained an Executive Master of Business Administration (EMBA) degree at Tsinghua University, the PRC in January 2008.

Since August 1985, Mr. Sheng has been serving as the chairman of the president office (總裁辦) of Guangzhou Hansen Architecture and Design Company Limited (廣州漢森建築設計有限公司) and since May 1993, he has been a managing partner of Guangzhou Bosheng Architecture and Design Consultancy Firm (廣州伯盛建築設計事務所).

Mr. Sheng obtained a qualification certificate as a Grade-1 certified architect (一級註冊建築師) of the PRC from the National Administrative Committee of Certified Architects (全國註冊建築師管理委員會) in August 2003. He also obtained a qualification certificate as a senior interior architect (高級室內建築師) from the China Building Decoration Association (中國建築裝飾協會) in May 2005.

In November 2019, Mr. Sheng was appointed as the deputy supervisor of the first board of supervisors (監事會) of the China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會). In August 2019, Mr. Sheng was appointed as a member of the Guangdong Province Undergraduate College Construction Specialty Teaching Steering Committee (廣東省本科高校建築類專業教學指導委員會). In 2015, Mr. Sheng was appointed as the vice director general (副會長) of Yancheng Design Alliance (羊城設計聯盟), a private non-profit organization with members of design organizations in southern China which specialized in architectural and planning design, interior design, landscape design and other design, and he was subsequently appointed as the president (會長單位) of Yancheng Design Alliance. In December 2014, Mr. Sheng was appointed as the deputy secretary general of the Environmental Arts Committee of Guangdong Architecture and Civil Engineering Association (廣東省土木建築學會環境藝術專業委員會). He has also been appointed as a visiting professor at the School of Architecture and Urban Planning of Guangdong University of Technology (廣東工業大學建築與城市規劃學院) from September 2009 to September 2012.

Save as disclosed above, Mr. Sheng did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Sheng does not have any relationship with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Sheng entered into a letter of appointment with the Company pursuant to which he agreed to act as an independent non-executive Director for an initial term of three years with effect from 1 December 2018 and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. According to the letter of appointment, Mr. Sheng is entitled to a director's fee of HK\$120,000 per annum.

As at the Last Practicable Date, Mr. Sheng did not have any interest in Shares or underlying Shares within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is Mr. Sheng involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Sheng that need to be brought to the attention of the Shareholders.

(3) Mr. Wang Zhonghua (王忠華先生)

Mr. Wang Zhonghua (王忠華先生) (“Mr. Wang”), aged 57, was appointed as an independent non-executive Director on 22 November 2018. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

Mr. Wang obtained a Bachelor degree in Civil Engineering Specialising in Railway Engineering (土木工程系鐵路工程專業) from Lanzhou Tiedao College (蘭州鐵道學院) (now renamed as Lanzhou Jiaotong University (蘭州交通大學)), the PRC in July 1986. Mr. Wang was registered as a certified cost engineer with Guangdong Construction Practice Qualification Registration Centre (廣東省建設執業資格註冊中心) since October 2009. He was also admitted as a professional member of the Royal Institution of Chartered Surveyors in December 2008 and was granted the professional qualification of senior engineer by the Shenzhen Senior Professional Technology Qualification Committee for Engineering Technology in April 2019.

From 1990 to July 1992, Mr. Wang was employed to be responsible for cost engineering at Ministry of Construction of the Ministry of Railways of the PRC (中華人民共和國鐵道部建設司). Since January 1992, he worked as an engineer at The Third Railway Survey and Design Institute of the Ministry of Railways of the PRC (鐵道部第三勘察設計院). He has also been transferred to Shenzhen City Metro Company Limited (深圳市地鐵有限公司) since October 1993.

Save as disclosed above, Mr. Wang did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Wang entered into a letter of appointment with the Company pursuant to which he agreed to act as an independent non-executive Director for an initial term of three years with effect from 1 December 2018 and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting according to the Articles of Association. According to the letter of appointment, Mr. Wang is entitled to a director's fee of HK\$120,000 per annum.

As at the Last Practicable Date, Mr. Wang did not have any interest in Shares or underlying Shares within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is Mr. Wang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 216,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 4 of the notice of the Annual General Meeting in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 216,000,000 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 21,600,000 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

The Company may only apply funds legally available for share repurchase in accordance with its Memorandum and Articles of Association, the laws of Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months and up to and including the Latest Practicable Date were as follows:

| Year | Month | Highest HK\$ | Lowest HK\$ |
|-------------|--|-------------------------|------------------------|
| 2019 | April | 3.30 | 2.50 |
| | May | 3.04 | 2.80 |
| | June | 3.09 | 2.78 |
| | July | 3.00 | 2.66 |
| | August | 2.89 | 2.31 |
| | September | 3.06 | 2.84 |
| | October | 3.22 | 2.85 |
| | November | 3.90 | 3.90 |
| | December | 3.15 | 3.10 |
| 2020 | January | 3.09 | 3.09 |
| | February | 3.00 | 1.43 |
| | March | 2.85 | 1.93 |
| | April (<i>up to the Latest Practicable Date</i>) | 2.20 | 2.10 |

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

8. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the

Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. Ji Guang controlled, through his family trust and controlled corporations, the voting rights of 162,000,000 Shares representing approximately 75% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the interest of Mr. Ji would be increased to approximately 83.33% of the issued share capital of the Company. In the opinion of the Directors, such increase would not give rise to an obligation to make a general offer under Rule 26 of the Takeovers Code but would result in the number of Shares held by the public being reduced to less than 25%.

The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

9. SHARE REPURCHASE MADE BY THE COMPANY

During the period from the Listing Date to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Sino Gas Holdings Group Limited (the “Company”) will be held at Room 3103, Block A1, Caifu Shiji Square, 13 Hai'an Road, Tianhe District, Guangzhou, the People's Republic of China on Monday, 8 June 2020 at 2:00 p.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2019.
- 2(a). To re-elect Ms. Ji Ling as an executive director of the Company;
- 2(b). To re-elect Mr. Sheng Yuhong as an independent non-executive director of the Company;
- 2(c). To re-elect Mr. Wang Zhonghua as an independent non-executive director of the Company; and
- 2(d). To authorize the board of directors of the Company to fix the respective directors' remuneration.
3. To re-appoint KPMG as auditors of the Company and to authorize the board of directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

(a) subject to compliance with the prevailing requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;

(b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

(i) a Rights Issue (as defined below);

(ii) the exercise of options under a share option scheme of the Company;

(iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

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shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 5 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 4 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

By Order of the Board
Sino Gas Holdings Group Limited
Mr. Ji Guang
Chairman

Hong Kong, 28 April 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or if he is the holder of two or more shares, more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the above meeting (i.e. not later than 2:00 p.m. on Saturday, 6 June 2020 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of an appointment of corporate representative by a corporate shareholder (other than a shareholder which is a Clearing House (as defined in the Company’s articles of association) (or its nominee)), a copy of the resolution of its directors or other governing body of the shareholder authorizing the appointment of the corporate representative or a form of notice of appointment of corporate representative issued by the Company for such purpose or a copy of the relevant power of attorney, together with an up-to-date copy of the shareholder’s constitutive documents and a list of directors or members of the governing body of the shareholder as at the date of such resolution, or, as the case may be, power of attorney, certified by a director, secretary or a member of the governing body of that shareholder and notarised, must be deposited at the Company’s branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the above meeting (i.e. not later than 2:00 p.m. on Saturday, 6 June 2020 (Hong Kong time)) or the adjourned meeting (as the case may be).
5. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Tuesday, 2 June 2020 to Monday, 8 June 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 1 June 2020.
6. If a tropical cyclone warning signal number 8 or above is hoisted or “extreme conditions” caused by super typhoons or a black rainstorm warning or is/are in force between 12:00 noon and 2:00 p.m. on 8 June 2020, the Annual General Meeting will not be held on 8 June 2020 but will be postponed to a later date and if postponed, the Company will as soon as practicable post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company. Shareholders may contact Customer Service Hotline of Tricor Investor Services Limited at (852) 2980 1333 from 9:00 a.m. to 5:00 p.m., Monday to Friday (excluding public holidays) for any enquiry regarding the aforesaid arrangement.
7. References to time and dates in this notice are to Hong Kong time and dates.