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**DISCLOSEABLE TRANSACTION  
INVESTMENT IN STRUCTURED DEPOSIT PRODUCT**

**INVESTMENT IN STRUCTURED DEPOSIT PRODUCT**

On 16 June 2020, GZ Sino Gas entered into the Investment by investing in the principal-guaranteed structured deposit product offered by the Bank in the form of one-year fixed term savings investment arrangement in the principal amount RMB50,000,000.

**LISTING RULES IMPLICATION**

As the highest of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Investment is more than 5% but less than 25%, the Investment constituted a discloseable transaction of the Company which is subject to the reporting and announcement requirements but exempted from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

At all relevant times up to the date of this announcement, none of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Group's investment in principal-guaranteed structured deposit products offered by the Bank has exceeded 25%.

**INVESTMENT IN STRUCTURED DEPOSIT PRODUCT**

On 16 June 2020, GZ Sino Gas entered into the Investment by investing in the principal-guaranteed structured deposit product offered by the Bank, the principal terms of which are summarised below.

Type of investment:	Principal guaranteed structured deposit product in the form of fixed term savings investment arrangement.
Principal amount invested:	RMB50,000,000
Transaction and settlement arrangement:	GZ Sino Gas may not early redeem the product and the principal and accrued interest will only be returned to GZ Sino Gas upon maturity of the fixed term.
Term of investment:	The investment has a fixed term commencing from 16 June 2020 and maturing on 16 June 2021, subject to early termination by the Bank.
Yield:	The floating yield of the product is linked to the RMB-denominated gold benchmark price published by the Shanghai Gold Exchange, which may vary from 1.75% per annum to 3.05% per annum.

The Investment was funded by the Group with its surplus cash arising in the ordinary and usual course of business of the Group. The principal amount invested by the Group under the Investment was determined by the Group having regard to the surplus cash position of the Group at the material time and nearly no financial risks involved.

## **REASONS AND BENEFITS FOR INVESTMENT IN STRUCTURED DEPOSIT PRODUCT**

The Investment was entered into by the Group to utilise the surplus cash arising in the ordinary and usual course of business of the Group. The Company considers the Investment to be principal-protected, short-term and low-risk which enables the Group to benefit from better interest rates than prevailing fixed-term deposit interest rates offered by the Bank.

The Directors (including the independent non-executive Directors) are of the view that the Investment has been entered into in the ordinary course of business of the Group, on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE PARTIES INVOLVED**

### **The Group**

The Group is an integrated LPG and natural gas supplier in the PRC with a complete industry chain that engages in the sales of LPG and natural gas and the operation of vehicular refuelling stations (車用加氣站) and domestic stations (民用站) in Guangdong Province, Henan Province and Hebei Province.

GZ Sino Gas is a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in the sale of LPG to vehicular end-users by operating refuelling stations.

## **The Bank**

The Bank is a commercial bank in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Bank and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

## **LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Investment is more than 5% but less than 25%, the Investment constituted discloseable transactions of the Company which is subject to the reporting and announcement requirements but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

At all relevant times up to the date of this announcement, none of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Group's investment in principal-guaranteed structured deposit products offered by the Bank has exceeded 25%.

## **REMEDIAL MEASURES**

The Company deeply regrets its non-compliance with Rule 14.34 of the Listing Rules but the Company would like to stress that the non-compliance was inadvertent and arose from the Company's consideration that the Investment were of the bank deposits nature and were conducted in the ordinary and usual course of business of the Group pursuant to Rule 14.04(1)(g) of the Listing Rules.

To prevent recurrence of the non-compliance, the Company has implemented the following remedial measures:

- (a) the Company has reviewed and amended the Group's treasury policies and internal procedures such that any future transactions in structured deposit or investment products will be treated as a transaction subject to the requirements of Chapter 14 of the Listing Rules. Prior to any further transactions in such products, the finance department of the Group will be required to prepare and calculate the percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the proposed transaction(s) (on standalone and aggregated bases) and the results shall be reviewed and confirmed by a designated executive Director. The designated executive Director will be empowered to consult with external advisers, such as legal advisers, in relation to the Listing Rules implications arising from such transactions at the Company's costs. In cases of doubt and where appropriate, the Company will also seek for the Stock Exchange's guidance prior to entering into the transactions. Based on the results of the size tests calculations and with reference to the advice or guidance sought, the Company will comply with the applicable disclosure requirements under Chapter 14 of the Listing Rules;
- (b) the Company will arrange for training for its Directors and senior management in respect of the requirements of Chapter 14 of the Listing Rules and the latest regulatory requirements that are applicable to the Company from time to time; and
- (c) the Company will work more closely with its external professional advisers, such as financial or legal advisers, on matters relating to compliance with the Listing Rules and other applicable laws and regulations from time to time.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Bank”	Bank of Communications Co., Ltd., a commercial bank incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601328)
“Board”	the board of Directors
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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 (stock code: 1759)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“GZ Sino Gas”	Guangzhou Sino Gas Fuel Chain Company Limited* (廣州中油潔能燃氣連鎖有限公司)*, a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment”	investment by GZ Sino Gas in the one-year fixed term principal-guaranteed structured deposit product offered by the Bank in the principal amount of RMB50,000,000 on 16 June 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LPG”	liquefied petroleum gas, a type of inflammable gas produced during natural gas processing and oil refining, which could be stored as liquid under pressure
“PRC”	the People’s Republic of China
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	renminbi, the lawful currency of the PRC
“%”	per cent

*\*The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names.*

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

Hong Kong, 29 March 2021

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*

Mr. Ji Guang (*Chairman*)

Ms. Ji Ling (*Vice-Chairman and Chief Executive Officer*)

Ms. Cui Meijian

Mr. Zhou Feng

*Independent non-executive Directors:*

Mr. Sheng Yuhong

Mr. Wang Zhonghua

Dr. Zheng Jian Peng