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**JiaXing Gas Group Co., Ltd.\***  
**嘉興市燃氣集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 9908)**

**CONNECTED TRANSACTION**  
**ACQUISITION OF PROPERTIES**

**CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF PROPERTIES**

On 21 April 2022 (after trading hours), the Company and Jiaying Yintai entered into the Sale and Purchase Agreements, pursuant to which the Company has agreed to acquire, and Jiaying Yintai has agreed to sell, the Properties for a total consideration of RMB7,888,610 in accordance with and subject to the terms and conditions of the Sale and Purchase Agreements.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Jiaying Yintai is owned as to 71.4% by companies controlled by Mr. Sun Lianqing. As such, Jiaying Yintai is regarded as an associate of Mr. Sun Lianqing, and is therefore a connected person of the Company pursuant to Rule 14A.13(1) of the Listing Rules.

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 0.1% but are less than 5%, the Sale and Purchase Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the circular and independent shareholders' approval requirements.

## **CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF PROPERTIES**

On 21 April 2022 (after trading hours), the Company and Jiaxing Yintai entered into the Sale and Purchase Agreements, pursuant to which the Company has agreed to acquire, and Jiaxing Yintai has agreed to sell, the Properties for a total consideration of RMB7,888,610 in accordance with and subject to the terms and conditions of the Sale and Purchase Agreements.

### **THE SALE AND PURCHASE AGREEMENTS**

The principal terms of the Sale and Purchase Agreements are as follows:

- Date:** 21 April 2022 (after trading hours)
- Parties:** (1) the Company (as the purchaser)
- (2) Jiaxing Yintai (as the vendor)

#### **Subject matter**

Pursuant to the Sale and Purchase Agreements, the Properties to be acquired by the Company are situated at Unit 202 and Unit 214, Building 2, Hualong Plaza, Economic and Technological Development Zone, Jiaxing, Zhejiang Province, the PRC, with a total gross floor area of 607.27 sq.m.

#### **Consideration and terms of payment**

The consideration for the Properties is RMB7,888,610, which is the market value appraised by an independent property valuer as at 8 March 2022 using the market comparison method by making reference to comparable sales transactions in the local market. The full consideration shall be paid on the day of signing the Sale and Purchase Agreements, which shall also be the day when the delivery of Properties shall take place.

### **REASONS FOR AND BENEFITS OF ENTRY INTO OF THE SALE AND PURCHASE AGREEMENTS**

The Properties will be used by the Group to establish new staff canteens to cope with the increase in the number of employees and to provide additional dining space with varied catering options to employees. The Directors believe that the entry into of the Sale and Purchase Agreements with Jiaxing Yintai to purchase the Properties which are in the vicinity of the headquarters of the Group could enhance the welfare of the Company's employees and in turn motivate employees to improve productivity. The consideration under the Sale and Purchase Agreements is based on the appraised market value and will be paid with internal resources of the Group. The Directors, including independent non-executive Directors, are of the view that, the entry into of Sale and Purchase Agreements is on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Sale and Purchase Agreements has been approved by the Board. Both Mr. Sun Lianqing, the controlling shareholder of Jiaxing Yintai, and Mr. Xu Songqiang, a shareholder, a director and the legal representative of Jiaxing Yintai, have abstained from voting on the relevant Board resolutions.

## **INFORMATION ON THE PARTIES INVOLVED**

The Company is principally engaged in the sales of piped natural gas, liquefied natural gas and liquefied petroleum gas in Jiaxing, provision of construction and installation services to construct and install end-user pipeline network and gas facilities for customers and provision of natural gas transportation services, sales of vapour and construction materials, and leasing of properties.

Jiaxing Yintai, a limited liability company established under the laws of the PRC on 18 October 2010, is principally engaged in development of real estate, and is the developer of the building where the Properties are situated. As at the date of this announcement, Jiaxing Yintai is owned as to 45.9% by Zhejiang Qingyuan Tourism Development Group Company Limited\* (浙江清園旅遊發展集團有限公司), as to 15.5% by Jiaxing Songjia Trading Co., Ltd.\* (嘉興市宋嘉貿易有限公司) and as to 10% by Taiding, each of which is a company controlled by Mr. Sun Lianqing, the chairman and an executive Director. The remaining interests are owned as to 13.5% by Mr. Xu Songqiang, an executive Director, and as to 15.1% by a company which, to the best knowledge of the Directors, itself and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Jiaxing Yintai is owned as to 71.4% by companies controlled by Mr. Sun Lianqing. As such, Jiaxing Yintai is regarded as an associate of Mr. Sun Lianqing, and is therefore a connected person of the Company pursuant to Rule 14A.13(1) of the Listing Rules.

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 0.1% but are less than 5%, the Sale and Purchase Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	JiaXing Gas Group Co., Ltd.* (嘉興市燃氣集團股份有限公司), a joint stock limited liability company established under the laws of the PRC, with its H Shares listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are issued, listed on the Stock Exchange, subscribed and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiaxing Yintai”	Jiaxing Yintai Real Estate Co., Ltd.* (嘉興胤泰置業有限公司), a limited liability company established under the laws of the PRC on 18 October 2010 and is owned as to 71.4% by companies controlled by Mr. Sun Lianqing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“PRC”	the People’s Republic of China
“Properties”	the two properties located at Unit 202 and Unit 214, Building 2, Hualong Plaza, Economic and Technological Development Zone, Jiaxing, Zhejiang Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	the two sale and purchase agreements dated 21 April 2022 entered into between the Company and Jiaxing Yintai in relation to the sale and purchase of the Properties
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Taiding”

Zhejiang Taiding Investment Company Limited\* (浙江泰鼎投資有限公司), a limited liability company established under the laws of the PRC on 26 January 2011 and owned as to 65% by Mr. Sun Lianqing and 35% by Ms. Xu Lili, the spouse of Mr. Sun Lianqing

“%”

per cent

By order of the Board  
**JiaXing Gas Group Co., Ltd.\***  
**Sun Lianqing**  
*Chairman and Executive Director*

Jiaxing, the PRC, 21 April 2022

*As at the date of this announcement, the Board comprises Mr. Sun Lianqing and Mr. Xu Songqiang, as executive Directors; Mr. He Yujian, Mr. Zheng Huanli, Mr. Fu Songquan and Mr. Ruan Hongliang, as non-executive Directors; Mr. Yu Youda, Mr. Cheng Hok Kai Frederick and Mr. Zhou Xinfu, as independent non-executive Directors.*

\* For identification purpose only