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**DISCLOSEABLE TRANSACTION – FINANCIAL ASSISTANCE
PROVISION OF SHARE CHARGE IN FAVOUR OF
A JOINT VENTURE OF THE COMPANY**

PROVISION OF SHARE CHARGE

On 7 June 2023 (after trading hours), GD Investment (as chargor) entered into the Share Charge Agreement with SPD Bank (as chargee), whereby GD Investment agreed to charge its 50% equity interests in JM Xinjiang Gas in favour of SPD Bank, with the maximum amount of guarantee by GD Investment capped at RMB30,000,000.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in respect of the secured amount under the Share Charge by the members of the Group are more than 5% but less than 25%, the provision of the Share Charge constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

PROVISION OF SHARE CHARGE

JM Xinjiang Gas (a joint venture with its 50% equity interests owned by the Company) and SPD Bank entered into the Facility Agreement (融資額度協議) on 23 August 2022, followed by its ancillary Working Capital Loan Agreement (流動資金貸款合同) on 30 September 2022, the

Letter of Credit Agreement (開立信用證業務協議書) on 3 November 2022, and Fixed Asset Loan Agreement (固定資產貸款合同) on 7 June 2023 respectively. Subject to terms and conditions under the Loan Agreements, SPD Bank would grant the Facility to JM Xinjiang Gas in the amount of RMB124 million. Pursuant to the Working Capital Loan Agreement, the interest rate shall be with reference to the one-year loan price rate (“LPR”) plus 75 basis points (“BPS”). Pursuant to the Fixed Asset Loan Agreement, the interest rate shall be with reference to the five-year LPR minus 30 BPS. The funds obtained or to be obtained under Working Capital Loan Agreement shall be used for JM Xinjiang Gas’s working capital needs. The funds obtained or to be obtained under the Letter of Credit shall be used for procurement of LPG. The funds to be obtained under the Fixed Asset Loan Agreement shall be used for the alternation project of LPG storage equipment of JM Xinjiang Gas.

The Board announces that on 7 June 2023, GD Investment (as chargor) entered into the Share Charge Agreement (權利最高質押合同) with SPD Bank (as chargee) whereby GD Investment agreed to charge its 50% equity interests in JM Xinjiang Gas in favour of SPD Bank as security for the repayment obligations of JM Xinjiang Gas under the Loan Agreements, with the maximum amount of guarantee by GD Investment capped at RMB30,000,000.

The principal terms of the Share Charge Agreement are as follows:

Date	7 June 2023
Parties	(1) GD Investment (as chargor), and (2) SPD Bank (as chargee)
Scope of the guarantee	The Share Charge shall cover the repayment obligations of JM Xinjiang Gas under the Facility Agreement, including the principal amount of the Facility together with any interest (including compound interest and penalties), liquidated damages, compensation, handling fees and other relevant expenses incurred in connection with the execution and enforcement of the Share Charge Agreement, custodian fee and expenses incurred in relation to the exercise of rights under the Guarantee (including litigation costs, attorney fees, transportation fees).
Guarantee cap	Capped at RMB30,000,000
Term	The Share Charge shall be released after all repayment obligations of JM Xinjiang Gas under the Facility Agreement have been fulfilled.
Fee/Commission	GD Investment shall not receive any fee or commission for entering into the Share Charge.

INFORMATION ABOUT THE GROUP, GD INVESTMENT, JM XINJIANG GAS AND SPD BANK

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 in Guangdong Province, Henan Province and Hebei Province and the operation of vehicular refuelling stations (車用加氣站) and domestic stations (民用站) in Guangdong Province and Henan Province with over 17 years of proven track records in the industry.

GD Investment is a limited liability company established in the PRC. It is an indirect wholly-owned subsidiary of the Company and is an investment holding company.

JM Xinjiang Gas is a limited liability company established in the PRC on 1 December 1994 and was owned as to 50% by GD Investment, and 50% by Guangzhou Zhongxin Energy Company Limited* (廣州中鑫能源有限公司) (“**Guangzhou Zhongxin**”), respectively. To the best of the Directors’ knowledge, information and belief, Guangzhou Zhongxin is in turn wholly owned by Ning Shunbo (寧順波), an Independent Third Party. JM Xinjiang Gas is mainly engaged in the operation of LPG domestic stations and LPG wholesale and retail business in Jiangmen City.

SPD Bank is a joint stock company established under the laws of the PRC which provides corporate and personal banking business, treasury business, finance leasing, asset management and other financial services in the PRC. Its shares are listed on the Shanghai Stock Exchange (Stock code: 600000). To the best of the Directors’ knowledge, information and belief, SPD Bank and its ultimate beneficial owners are Independent Third Parties of the Company as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE CHARGE AGREEMENT

JM Xinjiang Gas obtained the Facility from SPD Bank for the purpose of, amongst others, (i) the alteration project of LPG storage equipment of JM Xinjiang Gas; and (ii) JM Xinjiang Gas’s working capital requirements. The Facility will provide stable and necessary financial support for JM Xinjiang Gas to (i) facilitate its business development; (ii) effectively reduce the capital needed to be raised from Shareholders; (iii) improve the efficiency of cash flow; and (iv) increase its investment returns. Based on the above reasons, the Directors consider that the Share Charge and the terms of the Share Charge Agreement are consistent with the Group’s overall business strategies and long-term interests. The Directors, after due consideration, are of the view that the provision of the Share Charge will not undermine the interests of the Company.

The Directors are of the view that the terms of the Share Charge Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the secured amount under the Share Charge by the members of the Group are more than 5% but less than 25%, the provision of the Share Charge constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“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 (stock code: 1759)
“connected person(s)”	having the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Facility”	the facility, in the amount of RMB124 million, extended to JM Xinjiang Gas by SPD Bank on the terms subject to the conditions set out in respective Loan Agreements
“Facility Agreement”	the facility agreement (融資額度協議) dated 23 August 2022 entered into between JM Xinjiang Gas and SPD Bank, pursuant to which SPD Bank (as the lender) agreed to provide the Facility to JM Xinjiang Gas (as the borrower)
“Fixed Asset Loan Agreement”	the fixed asset loan agreement (固定資產貸款合同) dated 7 June 2023 entered into between JM Xinjiang Gas and SPD Bank, pursuant to which SPD Bank (as the lender) agreed to provide a loan of up to RMB84 million to JM Xinjiang Gas (as the borrower)
“Group”	the Company and its subsidiaries
“GD Investment”	Guanddong Sino Gas Investment Company Limited* (廣東中油潔能投資有限公司), formerly named Guangzhou Sino Gas Investment Company Limited (廣州中油潔能投資有限公司), a limited liability company established under the laws of PRC on 2 May 2013 and an indirect wholly owned subsidiary of the Company as at the date of this announcement

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons
“JM Xinjiang Gas”	Jiangmen Xinjiang Gas Company Limited* (江門市新江煤氣有限公司), a limited liability company established in the PRC on 1 December 1994 and was owned as to 50% by GD Investment and 50% by Guangzhou Zhongxin Energy Company Limited* (廣州中鑫能源有限公司), and a joint venture of the Company
“Letter of Credit Agreement”	the letter of credit agreement (開立信用證業務協議書) dated 3 November 2022 entered into between JM Xinjiang Gas and SPD Bank, pursuant to which SPD Bank (as the lender) agreed to provide a letter of credit in the amount of RMB13.75 million (inclusive of RMB2.75 million being the guarantee amount) in favour of JM Xinjiang Gas
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	collectively, the Facility Agreement, Fix Asset Loan Agreement, Working Capital Loan Agreement and the Letter of Credit Agreement
“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, which for the purpose of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region
“RMB”	renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Charge”	the share charge to be provided by GD Investment under the Share Charge Agreement
“Share Charge Agreement”	the share charge agreement (權利最高質押合同) dated 7 June 2023 entered into by GD Investment in favour of SPD Bank

“Shareholders”	holders of the Shares
“SPD Bank”	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC, whose shares are listed on the Shanghai Stock Exchange (stock code: 600000)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Working Capital Loan Agreement”	the working capital loan agreement (流動資金貸款合同) dated 30 September 2022 entered into between JM Xinjiang Gas and SPD Bank, pursuant to which SPD Bank (as the lender) agreed to provide a loan of up to RMB29 million to JM Xinjiang Gas (as the borrower)
“%”	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, 7 June 2023

As at the date of this announcement, the Directors 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