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**DISCLOSEABLE TRANSACTION
PROVISION OF GUARANTEE IN RELATION TO
A JOINTLY-CONTROLLED ENTITY OF THE COMPANY**

PROVISION OF GUARANTEE

On 3 August 2021 (after trading hours), GD Petrochemical, Henan Yonghui and Mr. Ji entered into the Guarantee Agreement with Agricultural Bank of China, pursuant to which GD Petrochemical, Henan Yonghui and Mr. Ji agreed to provide the Guarantee in favour of Agricultural Bank of China as security for the repayment obligations of JM Xinjiang Gas (a 50% jointly-controlled entity of the Company) in respect of the Loan granted by Agricultural Bank of China.

LISTING RULES IMPLICATION

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

THE GUARANTEE AGREEMENT

The Board announces that on 3 August 2021 (after trading hours), GD Petrochemical, Henan Yonghui and Mr. Ji entered into the Guarantee Agreement with Agricultural Bank of China, pursuant to which GD Petrochemical, Henan Yonghui and Mr. Ji agreed to provide the Guarantee in favour of Agricultural Bank of China as security for the repayment obligations of JM Xinjiang Gas (a 50% jointly-controlled entity of the Company) in respect of the Loan granted by

Agricultural Bank of China. The Loan will be extended to JM Xinjiang Gas on the terms and conditions set out in the Loan Agreement pursuant to which Agricultural Bank of China will provide to JM Xinjiang Gas with an interest rate of one-year LPR of the Loan plus 0.8% (which shall be adjusted in accordance with the LPR at the expiration of each 12 months) for a term not exceeding 3 years for working capital requirements of JM Xinjiang Gas.

The principal terms of the Guarantee Agreement are as follows:

Date	3 August 2021 (after trading hours)
Parties	GD Petrochemical, Henan Yonghui and Mr. Ji as the guarantors; and Agricultural Bank of China as the creditor
	To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Agricultural Bank of China is an Independent Third Party.
Guarantee Cap	RMB41,000,000
Term	Three years from the maturity date of the Loan and the repayment obligations or three years from the maturity date renewed by an extension agreement (if any).
Consideration	GD Petrochemical, Henan Yonghui and Mr. Ji shall not receive any fee or commission for providing the Guarantee.
Scope of the Guarantee	The Guarantee shall cover the repayment obligations of JM Xinjiang Gas under the Loan Agreement, including but not limited to the principal amount of the Loan together with any interest, penalties, compound interest, liquidated damages, interests on delayed payment, penalties for delayed payment, the premium of insurance against all risks, litigation costs (arbitration fees), attorney fees and other relevant expenses incurred in connection with the creditor's exercising its rights.

INFORMATION ABOUT THE GROUP, GD PETROCHEMICAL, HENAN YONGHUI, JM XINJIANG GAS AND AGRICULTURAL BANK OF CHINA

The Group is an integrated LPG and natural gas supplier in the PRC. It is mainly engaged in the sales of LPG and natural gas and the operation of vehicular refuelling stations and domestic stations in Guangdong Province and Henan Province.

GD Petrochemical is a limited liability company established in the PRC. It is an indirect wholly-owned subsidiary of the Company and is mainly engaged in the wholesale business of LPG.

Henan Yonghui is a limited liability company established in the PRC. It is an indirect wholly-owned subsidiary of the Company and is mainly engaged in the sales of natural gas and the operation of CNG mother stations and refuelling stations in Henan Province.

JM Xinjiang Gas is a limited liability company established in the PRC 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.

Agricultural Bank of China is a licensed commercial bank in the PRC and provides a variety of financial products and services to corporate and personal banking customers. To the best of the Directors’ knowledge, information and belief, Agricultural Bank of China is a company whose shares are listed on the Shanghai Stock Exchange (stock code: 601288:CH) and the Stock Exchange (stock code: 1288) and its ultimate beneficial owners are Independent Third Parties of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE GUARANTEE AGREEMENT

Since JM Xinjiang Gas obtained the Loan from Agricultural Bank of China for the purpose of its daily working capital, the Loan will provide stable low cost and sufficient 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 shareholders’ cash flow; and (iv) increase its investment returns. Based on the above reasons, the Directors consider that the Guarantee and the terms of the Guarantee 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 Guarantee will not undermine the interest of the Company.

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

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the secured amount under the Guarantee are more than 5% but less than 25%, the provision of the Guarantee 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:

“Agricultural Bank of China”	Agricultural Bank of China Co., Ltd., a company established in the PRC with limited liability whose shares are listed on the Shanghai Stock Exchange (stock code: 601288:CH) and the Stock Exchange (stock code: 1288), being the lender under the Loan Agreement and the creditor under the Guarantee Agreement
“Board”	the board of Directors
“CNG”	compressed natural gas, a type of natural gas that is compressed to high density through imposing high-pressure to facilitate the ease and efficiency of transportation
“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
“Controlling Shareholder(s)”	having the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“GD Investment”	Guangdong 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
“GD Petrochemical”	Guangdong Sino Gas Petrochemical Company Limited* (廣東中油潔能石化有限公司), a limited liability company established under the laws of PRC on 28 March 2014 and an indirect wholly owned subsidiary of the Company as at the date of this announcement
“Henan Yonghui”	Henan Sino Gas Yonghui Natural Gas Company Limited* (河南中油潔能永輝天然氣有限公司), a limited liability company established under the laws of PRC on 23 September 2013 and an indirect wholly owned subsidiary of the Company as at the date of this announcement

“Mr. Ji”	Mr. Ji Guang (姬光先生), one of the Controlling Shareholders and an executive Director and the Chairman of the Board
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement dated 3 August 2021 entered into between GD Petrochemical, Henan Yonghui, Mr. Ji and Agricultural Bank of China, pursuant to which, GD Petrochemical, Henan Yonghui and Mr. Ji agreed to provide the Guarantee in favour of Agricultural Bank of China as security for the repayment obligations of JM Xinjiang Gas under, amongst others, the Loan Agreement
“Guarantee”	the guarantee provided by GD Petrochemical, Henan Yonghui and Mr. Ji to Agricultural Bank of China pursuant to the Guarantee Agreement
“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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquefied natural gas, a type of natural gas that has been converted to liquid form through application of pressure and cooling for ease and efficiency of transportation
“Loan Agreement”	the loan agreement dated 3 August 2021 entered into between JM Xinjiang Gas and Agricultural Bank of China, pursuant to which, Agricultural Bank of China (as the lender) agreed to provide the Loan to JM Xinjiang Gas (as the borrower)
“Loan”	the loan, in the amount of RMB30,000,000, extended to JM Xinjiang Gas by Agricultural Bank of China on the terms and subject to the conditions set out in the Loan 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
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 3 August 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