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CHINA LNG GROUP LIMITED

中國天然氣集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 931)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE ON THE LAUNCH OF HUANGGANG LNG TRANSMISSION INTERCONNECT WITH THE NATIONAL NATURAL GAS PIPELINE NETWORKS

This announcement is made by China LNG Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide its shareholders and potential investors with the latest business development of the Group.

The board of directors of the Company (the “**Board**”) is pleased to announce that the recently built Huanggang LNG Transmission Project of the Group has on 6 January 2023 successfully launched its operation in the interconnection with the national natural gas pipeline Hubei main networks to provide LNG for urban heating, which contributing to ensure the stable supply of natural gas and effectively ease the pain point of insufficient gas supply during the peak seasons of gas consumption in the Hubei province.

The Group is one of the long-established and well-known LNG end-terminal operator in the PRC. The core business of the Group is operates in the sales and distribution of LNG in the PRC, which includes wholesale, point-to-point supply, logistics and pipeline networks. The Huanggang LNG Transmission Project is one of the lead pipeline networks program of the Group. In light of the recent relaxation measures in respect of COVID-19 pandemic implemented by the PRC government, it is expected there will be an increase in LNG demand from new and existing commercial and industrial enterprises in the resuming of their operations. Accordingly, the Board expects the demand of LNG in the commercial and industrial segment will gradually increase in the coming years.

INFORMATION OF THE HUANGGANG LNG TRANSMISSION PROJECT

The Huanggang LNG Transmission Project of the Group is the only natural-gas-reverse-transmission project in the Hubei province that merged with the provincial level national natural gas main pipeline networks. The new operational model is started from the Group's gas source and LNG storage facilities, through the high-pressurized gasification processing, transform LNG into gaseous through a 4.0Mpa high-pressurized pipeline to the Group's booster station, then boosting for transmission to the Huanggang receiving station and merge into the national natural gas pipeline Hubei main networks.

As the key construction project in the strengthen the gas storage and peak shaving capacity of the Hubei province, the project was approved by the Huanggang Municipal Development and Reform Commission, which gained strong support from various departments of the Hubei government in respect of project permits, land use right and constructions process before the great launch. Based on historical natural gas consumption of the Hubei province, it is estimated that the LNG transmission volume of the project is approximately 500,000 standard cubic meters per day, which may give rise to a considerable profit of about 50 million yuan per annum for the Group.

On 6 January 2023, the Municipal Development and Reform Commission, the District People's Congress, the Municipal Public Utilities Development Center and the person in charge of the District Party Committee Office participated in the ribbon-cutting and unveiling ceremony of the Huanggang LNG Transmission Project. The project is the stabilizer and ballast stone of natural gas supply in the Hubei province and even for South China in winter, it will also provide a demonstration for the city's carbon peak carbon neutrality and low-carbon economic development, further promote the clean energy utilization industry upgrade and the development of local economy, leading as a new model for the energy structure development.

The Board considers that the ventilation of a new provincial level of pipeline connection under the Group will enable it to expand its business portfolio to a comprehensive layout and strengthen the synergy of the Group's various business segments, which can effectively promote the Group's business development in the PRC and enable the Group to diversify its income stream and enhance its financial performance, which is in line with the Group's development strategy.

Shareholders and potential investors of the Company are advised to exercise due care when dealing in the shares of the Company.

By order of the Board
China LNG Group Limited
Kan Che Kin, Billy Albert
Chairman

Hong Kong, 6 January 2023

As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Kan Che Kin, Billy Albert (Chairman) and Mr. Li Kai Yien, Arthur Albert; three non-executive Directors, namely Dr. Lam, Lee G., Mr. Simon Murray and Mr. Xiao Cong; and three independent non-executive Directors, namely Mr. Li Siu Yui, Mr. Chow Ching Ning and Mr. Lam Lum Lee.

** For identification purposes only*