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BEIJING GAS BLUE SKY HOLDINGS LIMITED **北京燃氣藍天控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 6828)

(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO NATURAL GAS MASTER AGREEMENT; AND (2) DISCLOSEABLE AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO DEPOSIT SERVICES MASTER AGREEMENT

BACKGROUND

The Company understands BGGCL, its indirect controlling shareholder, will increase its capacity in Natural Gas supply in the foreseeable future. In this regard, BGGCL and the Group would like to leverage on such increase in supply, and to expand the Group's source of supply in order to benefit both parties. Accordingly, the Natural Gas Master Agreement was signed, details of which are set out below.

In order to cater for the growing business needs of the Group, the Group has been seeking additional funding for its operational activities. In this regard, BE Group Finance has principally agreed to provide a credit facility of HK\$200,000,000 to the Group (being the BE Group Finance Loan). To facilitate drawdown of such facility, the Group will open a deposit account with BE Group Finance. As such, the Deposit Services Master Agreement was signed in order for the Group to also enjoy the deposit services provided by BE Group, details of which are set out below.

MASTER AGREEMENTS

The Board is pleased to announce that (1) on 23 October 2023 (after trading hours), the Company entered into the Natural Gas Master Agreement with BGGT, pursuant to which BGGT (or its designated subsidiaries or associates) agreed to sell and the Company (or its designated subsidiaries) agreed to purchase Natural Gas for a term of a period commencing from 1 January 2024 to 31 December 2026 (both days inclusive); and (2) on 23 October 2023 (after trading hours), the Company entered into the Deposit Services Master Agreement with BE Group Finance, pursuant to which the Group may, in its ordinary and usual course of business, place and maintain deposits with BE Group Finance on normal commercial terms from time to time.

LISTING RULES IMPLICATIONS

In respect of the Natural Gas Master Agreement and as at the date of this announcement, as BGGT is an associate of BGGCL which in turn is the controlling shareholder of the Company indirectly holding approximately 66.37% of the issued share capital of the Company, BGGT is a connected person of the Company. Accordingly, the transactions contemplated under the Natural Gas Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Annual Caps for the Natural Gas Master Agreement exceed 5%, the transactions contemplated under the Natural Gas Master Agreement constitute non-exempt continuing connected transactions for the Company and are subject to reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. BGGT, BGGCL and their respective associate are required to abstain from voting on the resolution for approving the Natural Gas Master Agreement (including the Annual Caps) and the transactions contemplated thereunder at the SGM.

In respect of the Deposit Services Master Agreement and as at the date of this announcement, as the Company's ultimate controlling shareholder BE Group owns not less than 30% equity interest in BE Group Finance, BE Group Finance is an associate of BE Group and is therefore a connected person of the Company. The Deposit Services will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Annual Caps for the Deposit Services Master Agreement exceed 5% but less than 25% and the maximum annual consideration is more than HK\$10,000,000, the transactions contemplated under the Deposit Services Master Agreement constitute non-exempt continuing connected transactions for the Company and are subject to reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules and a discloseable transaction under Chapter 14 of the Listing Rules. The proposed placing of deposits contemplated under the Deposit Services Master Agreement would be regarded as the Company providing financial assistance to BE Group Finance which falls within the definition of "transaction" under both rules 14.04(1)(e) and 14A.24(4) of the Listing Rules. BE Group Finance and its associate(s) are required to abstain from voting on the resolution(s) for approving the Deposit Services Master Agreement (including the Annual Caps) and the transactions contemplated thereunder at the SGM.

GENERAL

The Independent Board Committee (comprising of all the independent non-executive Directors) has been established to advise the Independent Shareholders in respect of the terms of the Master Agreements (including the Annual Caps) and the transactions contemplated thereunder. Optima Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the fairness and reasonableness of the terms of the Master Agreements and the Annual Caps.

The SGM will be convened and held to consider and, if thought fit, to approve the Master Agreements (including the Annual Caps) and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Master Agreements (including the Annual Caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice of the SGM; and (v) other information as required by the Listing Rules, will be despatched to the Shareholders in accordance with the Listing Rules. As more time is required to collate the information required to be disclosed in the circular, the circular is expected to be despatched by the Company to the Shareholders on or before 24 November 2023.

BACKGROUND

The Company understands BGGCL, its indirect controlling shareholder, will increase its capacity in Natural Gas supply in the foreseeable future. In this regard, BGGCL and the Group would like to leverage on such increase in supply, and to expand the Group's source of supply in order to benefit both parties. Accordingly, the Natural Gas Master Agreement was signed, details of which are set out below.

In order to cater for the growing business needs of the Group, the Group has been seeking additional funding for its operational activities. In this regard, BE Group Finance has principally agreed to provide a credit facility of HK\$200,000,000 to the Group (being the BE Group Finance Loan). To facilitate drawdown of such facility, the Group will open a deposit account with BE Group Finance. As such, the Deposit Services Master Agreement was signed in order for the Group to also enjoy the deposit services provided by BE Group, details of which are set out below.

INTRODUCTION

The Board is pleased to announce that (1) on 23 October 2023 (after trading hours), the Company entered into the Natural Gas Master Agreement with BGGT, pursuant to which BGGT (or its designated subsidiaries or associates) agreed to sell and the Company (or its designated subsidiaries) agreed to purchase Natural Gas for a term of a period commencing from 1 January 2024 to 31 December 2026 (both days inclusive); and (2) on 23 October 2023 (after trading hours), the Company entered into the Deposit Services Master Agreement with BE Group Finance, pursuant to which the Group may, in its ordinary and usual course of business, place and maintain deposits with BE Group Finance on normal commercial terms from time to time.

(1) NATURAL GAS MASTER AGREEMENT

(A) Principal Terms

Date

23 October 2023 (after trading hours)

Parties

- (i) the Company; and
- (ii) BGGT.

Term

Pursuant to the Natural Gas Master Agreement and subject to the approval by the Independent Shareholders, the Company entered into the Natural Gas Master Agreement with BGGT, pursuant to which BGGT (or its designated subsidiaries or associates) agreed to sell and the Company (or its designated subsidiaries) agreed to purchase Natural Gas for a term of a period commencing from 1 January 2024 to 31 December 2026 (both days inclusive).

Conditions Precedent

The Natural Gas Master Agreement is conditional upon the fulfilment of the following conditions:

- (a) the Company has obtained all necessary internal approvals required for the Natural Gas Master Agreement (including the relevant Annual Caps) and the transactions contemplated thereunder; and
- (b) the Company has obtained the approval on the Natural Gas Master Agreement (including the relevant Annual Caps) and the transactions contemplated thereunder from the Independent Shareholders at the SGM in accordance with the bye-laws of the Company and the Listing Rules.

(B) Basis of Pricing

The sale and purchase price of Natural Gas under the Natural Gas Master Agreement is determined by arm's length negotiations based on normal commercial terms which are no less favourable to the Company than that are available from Independent Third Parties. In particular, the purchase price of LNG shall be determined with reference to the market price quoted from the respective local LNG terminal or ex-factory price; the purchase price of PNG shall be determined with reference to respective pipeline connection price or market price; and the purchase price for CNG shall be determined with reference to the market-based prices in the corresponding regions of CNG supply and going-rate pricing.

The sale and purchase price of Natural Gas shall be agreed by both BGGT (or its designated subsidiaries or associates) and the Company (or its designated subsidiaries) by written confirmations for each order.

The supply of Natural Gas by BGGT (or its designated subsidiaries or associates) will be subject to prepayment made by the Company (or its designated subsidiaries) pursuant to the Natural Gas Master Agreement. The actual settlement amount shall be based on the actual sale and purchase amount of Natural Gas between the relevant parties.

(C) Annual Caps

The Annual Caps for the Natural Gas Master Agreement for each of the three years ending 31 December 2024, 2025 and 2026 are set out as follows:

	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
Annual Caps	RMB2,300,000,000 (equivalent to approximately HK\$2,506,429,537)	RMB2,900,000,000 (equivalent to approximately HK\$3,160,280,720)	RMB3,800,000,000 (equivalent to approximately HK\$4,141,057,495)
Estimated purchase amount under the Natural Gas Master Agreement	500,000 tons	650,000 tons	850,000 tons

The Annual Caps for a term of a period commencing from 1 January 2024 to 31 December 2026 are determined based on the followings:

- (a) the estimated volume of LNG that can be supplied by BGGT (or its designated subsidiaries and associates); and
- (b) the current market price of LNG.

In the event the Group shall purchase other types of Natural Gas (such as CNG and PNG), the maximum transaction amount of all Natural Gas (including LNG, CNG and PNG) to be purchased from BGGT (or its designated subsidiaries or associates) shall not exceed the above Annual Caps. For the ease of calculation, every 1,400 cubic metre of natural gas (which measurement is in cubic metre) shall be equivalent to 1 ton of natural gas.

The actual settlement amount shall be based on the actual sale and purchase amount of Natural Gas between the relevant parties.

Should the actual annual purchase amount exceed the above proposed Annual Caps, the Company will revise the Annual Caps in compliance with the relevant requirements under Chapter 14A of the Listing Rules.

For the two years ended 31 December 2022 and the nine months ended 30 September 2023, the Group had purchased LNG from BGGCL (including its subsidiaries and associates). Set out below is the information regarding such purchase:

	For the year ended 31 December 2021	For the year ended 31 December 2022	For the nine months ended 30 September 2023
Approximate purchase amount in HK\$	HK\$22,610,000	HK\$11,547,000	HK\$298,913,000
Approximate purchase amount in tons	3,343 tons	1,147 tons	64,000 tons

(2) DEPOSIT SERVICES MASTER AGREEMENT

(A) Principal Terms

Date

23 October 2023 (after trading hours)

Parties

- (i) the Company; and
- (ii) BE Group Finance.

Condition Precedent

The Deposit Services Master Agreement becoming effective is conditional on the Company having complied with the relevant continuing connected transaction requirements under the Listing Rules; and where applicable, the Company having complied with the relevant reporting, announcement and Shareholders' approval requirements in accordance with the Listing Rules.

Term

Pursuant to the Deposit Services Master Agreement and subject to the approval by the Independent Shareholders, the term of the Deposit Services Master Agreement shall commence on the Effective Date and shall continue for a term of 3 years. Subject to compliance with the Listing Rules, upon the expiration of such initial term, the Deposit Services Master Agreement may be renewed by the Company and BE Group Finance by agreement.

Deposit Services

The Company will open a deposit account with BE Group Finance, and the funds (including the funds that may be drawn down from the BE Group Finance Loan, if materialised) are to be deposited with BE Group Finance based on the principle of free deposit and retrieval access. BE Group Finance will provide the Company with various types of deposit services, including demand deposits, time deposits, call deposits and agreement deposits, etc.

Deposit Interests

The rate at which interest will accrue on any deposit placed by the Group with BE Group Finance under the Deposit Services Master Agreement will not be lower than the following: (a) the minimum interest rate prescribed by the People's Bank of China for the same type of deposits; (b) the interest rates offered by commercial banks in the PRC and Hong Kong to the Group for the same type of deposits; and (c) the interest rates offered by BE Group Finance to other members of BE Group for the same type of deposits.

(B) Annual Caps and basis

The daily accumulated aggregate of deposits (including accrued interests) placed by the Group with BE Group Finance during the term of the Deposit Services Master Agreement will not exceed the following caps:

	RMB
For the period from the Effective Date to 31 December 2023	280,000,000 (equivalent to approximately HK\$305,130,552)
For the period from 1 January 2024 to the financial year ending 31 December 2024	280,000,000 (equivalent to approximately HK\$305,130,552)
For the period from 1 January 2025 to the financial year ending 31 December 2025	280,000,000 (equivalent to approximately HK\$305,130,552)
For the period from 1 January 2026 to the third anniversary date of the Effective Date	280,000,000 (equivalent to approximately HK\$305,130,552)

In determining the above caps, the Directors have taken into account factors including the treasury policy and business needs of the Group and the counterparty limits for BE Group Finance.

REASONS FOR AND THE BENEFITS OF ENTERING INTO THE MASTER AGREEMENTS

The Company is an investment holding company and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6828). The Group is principally engaged in (i) the distribution and sale of natural gas to residential, industrial and commercial consumers through pipelines, sale of gas-related equipment and the provision of pipeline construction services and related value-added services such as repair and maintenance services; (ii) the sale of LNG to industrial end users through direct supply facilities; (iii) the trading and distribution of CNG, LNG, fuel oil and other related oil byproducts as a wholesaler to industrial and commercial users; and (iv) the operating CNG and LNG refueling stations for vehicles.

(1) Natural Gas Master Agreement

BGGCL is a company established in the PRC with limited liability whose principal activities include natural gas production and distribution services. BGGT is a wholly-owned subsidiary of BGGCL and in the business of natural gas production and supply. BGGCL is wholly-owned by Beijing Enterprises Holdings Limited, which in turn is more than 30% ultimately and beneficially owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality. Beijing Enterprises Holdings Limited is a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 392). Beijing Enterprises Holdings Limited together with its subsidiaries (the "**Beijing Enterprise HK Group**") are principally engaged in, *inter alia*, the distribution and sale of PNG and gas-related equipment, the provision of natural gas transmission, the surveying and plotting of underground construction projects, the installation of gas pipelines and related equipment and the provision of related repair and maintenance services in the PRC and the trading of LNG and production and sale of oil and gas in certain overseas countries among other things.

The Natural Gas Master Agreement between BGGT and the Company was entered into by the Company in the ordinary and usual course of business of the Group. The purchase of Natural Gas from BGGT could provide the Group with a stable and alternative source of Natural Gas, providing strong support to the daily operation of the Company's gas business. The Group will keep optimising its gas sources by leveraging advantages in gas source from the controlling shareholder, and will adjust its gas procurement strategy in response to changes in the times so that the Group may acquire stable and high quality gas sources continuously.

In light of the above, and given the Natural Gas purchase price will be determined with reference to the market price quoted from the respective local LNG terminal or PNG market price or CNG market going-rate pricing whichever is applicable, the Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of the Independent Financial Adviser and other than Mr. Zhi Xiaoye and Mr. Shao Dan who have abstained from voting on the relevant board resolutions of the Company approving the Master Agreements) consider that the relevant Annual Caps have been determined on an arm's length basis and the Natural Gas Master Agreement was entered into on normal commercial terms in the ordinary and usual course of business of the Company after arm's length negotiation, and the terms of the Natural Gas Master Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

(2) Deposit Services Master Agreement

BE Group Finance has principally agreed to provide a credit facility of HK\$200,000,000 to the Group for the purpose of securing additional source of funding to satisfy its business needs ("**BE Group Finance Loan**"). Detailed terms of the BE Group Finance Loan are still subject to negotiations between the parties but in any event they will be either on normal commercial terms or on terms no less favourable to the Group than terms available from independent third parties and will not be secured by the assets of the Group. Further announcement(s) will be made by the Company to comply with the applicable requirements under the Listing Rules as and when necessary.

To facilitate drawdown of the BE Group Finance Loan, the Group will open a deposit account with BE Group Finance. In addition, the Group has entered into the Deposit Services Master Agreement so that it can enjoy the deposit services provided by BE Group Finance.

BE Group Finance is incorporated in the PRC with limited liability. BE Group Finance is more than 30% equity interest held by BE Group. Its establishment as a non-bank financial institution has been approved by the National Administration of Financial Regulation (formerly known as the China Banking and Insurance Regulatory Commission). BE Group Finance acts as a platform for members of the BE Group (including the Group) for the provision of intra-group loan facilities through financial products including deposit-taking, money-lending and custodian services.

The Group has to maintain deposits and other bank balances with financial institutions in the PRC and Hong Kong from time to time as part of its treasury activities and in order to satisfy its business needs in the ordinary and usual course of business.

The Deposit Services will be conducted on normal commercial terms and the deposit interest rates offered by BE Group Finance to the Group will be equal to or more favourable to the Group than those offered by commercial banks in the PRC and Hong Kong to the Group for comparable deposits. The Deposit Services Master Agreement is therefore expected to provide the Group with a new means to improve the efficiency of the use of its funds through higher interest income from deposit services. The Group also expects to be in a better position to manage the security of its funds since BE Group Finance is not considered to be exposed to any significant capital risk.

For the avoidance of doubt, the Deposit Services Master Agreement does not preclude the Group from using the services of other financial institutions. The Group still has the freedom to select any major and independent commercial banks in the PRC and Hong Kong as its financial services providers as it thinks fit and appropriate for the benefit of the Group.

BE Group Finance has a good understanding of the financial needs of the Group, which is conducive to its provision of stable, efficient and convenient financial services to support the Group's strategic development. With its understanding of the Group, BE Group Finance is also in a position to provide more diversified, flexible, efficient and stable personalised services to the Group in the future. The Deposit Services Master Agreement and the BE Group Finance Loan will provide higher interest income to the Group while enabling the Group to achieve lower financing cost, thereby improving its capital utilisation ratio, effectively reducing the Group's finance cost, and accelerating the Group's profits. The BE Group Finance Loan will also serve as a strong credit support for the Group's development, which will enable the Group to explore more low-cost financing channels and enhance the Group's liquidity and flexibility.

Accordingly, the entering into of the continuing connected transactions has demonstrated that the controlling shareholders has provided comprehensive supports to the Company in terms of strategic synergy, business supports and financing resources, and it also shows the diversified synergies between the controlling shareholders and the Group. The supports from the controlling shareholders will be conducive to the expansion of the Company's business development, in particular, the sound operation of the Company, which will enable the Company to provide returns to the Shareholders in a long-term and sustainable manner.

(i) Mr. Zhi Xiaoye, being a non-executive Director and chairman of the Board, has been the vice president of Beijing Enterprises Holdings Limited (a company listed on the Stock Exchange, stock code: 392) since July 2014 and is also a director and general manager of BGGCL; and (ii) Mr. Shao Dan, being a non-executive Director, is currently a director of Beijing Gas Yanqing Co., Ltd.* (北京燃氣延慶有限公司) and Beijing Gas Fangshan Co., Ltd.* (北京燃氣房山有限責任公司), which are subsidiaries of BGGCL, and serves on the supervisory board of China Oil and Gas Pipeline Network Corporation Northern China Natural Gas Pipeline Co., Ltd.* (國家管網集團華北天然氣管道有限公司), an affiliated company of BGGCL. Accordingly, they have abstained from voting on the relevant board resolutions of the Company approving the Master Agreements.

The Directors (other than the independent non-executive Directors who will express their views after receiving advice from the Independent Financial Adviser, and other than Mr. Zhi Xiaoye and Mr. Shao Dan who have abstained from voting on the relevant board resolutions of the Company approving the Master Agreements as referred to above) consider that the Master Agreements are entered into in the ordinary and usual course of business of the Group on normal commercial terms and that the terms of the Master Agreements (including the Annual Caps) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

In respect of the Natural Gas Master Agreement and as at the date of this announcement, as BGGT is an associate of BGGCL which in turn is the controlling shareholder of the Company indirectly holding approximately 66.37% of the issued share capital of the Company, BGGT is a connected person of the Company. Accordingly, the transactions contemplated under the Natural Gas Master Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Annual Caps for the Natural Gas Master Agreement exceed 5%, the transactions contemplated under the Natural Gas Master Agreement constitute non-exempt continuing connected transactions for the Company and are subject to reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. BGGT, BGGCL and their respective associate(s) are required to abstain from voting on the resolution(s) for approving the Natural Gas Master Agreement (including the Annual Caps) and the transactions contemplated thereunder at the SGM.

In respect of the Deposit Services Master Agreement and as at the date of this announcement, as the Company's ultimate controlling shareholder BE Group owns not less than 30% equity interest in BE Group Finance, BE Group Finance is an associate of BE Group and is therefore a connected person of the Company. The Deposit Services will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Annual Caps for the Deposit Services Master Agreement exceed 5% but less than 25% and the maximum daily accumulated aggregate of deposits (including accrued interests) placed by the Group with BE Group Finance is more than HK\$10,000,000, the transactions contemplated under the Deposit Services Master Agreement constitute non-exempt continuing connected transactions for the Company and are subject to reporting, announcement and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules and a discloseable transaction under Chapter 14 of the Listing Rules. The proposed placing of deposits contemplated under the Deposit Services Master Agreement would be regarded as the Company providing financial assistance to BE Group Finance which falls within the definition of "transaction" under both rules 14.04(1)(e) and 14A.24(4) of the Listing Rules. BE Group Finance and its associate(s) are required to abstain from voting on the resolution(s) for approving the Deposit Services Master Agreement (including the Annual Caps) and the transactions contemplated thereunder at the SGM.

GENERAL

The Independent Board Committee (comprising of all the independent non-executive Directors) has been established to advise the Independent Shareholders in respect of the terms of the Master Agreements (including the Annual Caps) and the transactions contemplated thereunder. Optima Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the fairness and reasonableness of the terms of the Master Agreements and the Annual Caps.

The SGM will be convened and held to consider and, if thought fit, to approve the Master Agreements (including the Annual Caps) and the transactions contemplated thereunder.

A circular containing, among other things, (i) further information on the Master Agreements (including the Annual Caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice of the SGM; and (v) other information as required by the Listing Rules, will be despatched to the Shareholders in accordance with the Listing Rules. As more time is required to collate the information required to be disclosed in the circular, the circular is expected to be despatched by the Company to the Shareholders on or before 24 November 2023.

DEFINITIONS

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

“Annual Caps”	the proposed maximum aggregate annual value for the transactions contemplated under the Master Agreements;
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules;
“BE Group”	北京控股集團有限公司 (Beijing Enterprises Group Company Limited*), a company established in the PRC with limited liability and is ultimately wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality;

“BE Group Finance”	北京控股集團財務有限公司 (Beijing Enterprises Group Finance Co., Ltd.*), a company established in the PRC with limited liability and is an associate of BE Group;
“BGGCL”	北京市燃氣集團有限責任公司 (Beijing Gas Group Co., Ltd.*), a company established in the PRC with limited liability, and is indirectly wholly-owned by Beijing Enterprises Holdings Limited, which in turn is more than 30% ultimately and beneficially owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality;
“BGGT”	北京燃氣集團(天津)天然氣銷售有限公司 (Beijing Gas Group (Tianjin) Natural Gas Limited*), a company established in the PRC with limited liability, and is directly wholly-owned by BGGCL;
“Board”	the board of Directors;
“CNG”	compressed natural gas;
“Company”	Beijing Gas Blue Sky Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6828);
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Deposit Services”	the deposit services to be provided by BE Group Finance to the Group under the Deposit Services Master Agreement;
“Deposit Services Master Agreement”	the deposit services master agreement entered into between the Company and BE Group Finance on 23 October 2023;
“Director(s)”	the director(s) of the Company;
“Effective Date”	the date of fulfillment of all conditions to the Deposit Services Master Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent board committee of the Company formed by the Company to advise the Independent Shareholders as to whether the Master Agreements and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole;

“Independent Financial Adviser”	Optima Capital Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), and being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Master Agreements and the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
“Independent Shareholders”	the Shareholders other than BGGCL, BGGT, BE Group Finance and its associate(s), who are not involved in or interested in the Master Agreements and the transactions contemplated thereunder;
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LNG”	liquefied natural gas;
“Master Agreements”	the Natural Gas Master Agreement and the Deposit Services Master Agreement;
“Natural Gas”	natural gas in varying forms including LNG, CNG and PNG;
“Natural Gas Master Agreement”	the master agreement dated 23 October 2023 entered into between BGGT and the Company, pursuant to which BGGT (or its designated subsidiaries or associates) agreed to sell and the Company (or its designated subsidiaries) agreed to purchase Natural Gas for a term of a period commencing from 1 January 2024 to 31 December 2026 (both days inclusive);
“PNG”	piped natural gas;
“PRC”	the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan region of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Master Agreements (including the Annual Caps) and the transactions contemplated thereunder;

“Share(s)”	ordinary share(s) of HK\$0.055 each in the issued share capital of the Company;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the same meaning as ascribed to it under the Listing Rules; and
“%”	per cent.

For the purposes of this announcement, the exchange rate of HK\$1 = RMB0.91764 has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts have been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.

* *For identification purposes only*

By order of the Board
Beijing Gas Blue Sky Holdings Limited
Zhi Xiaoye
Chairman

Hong Kong, 23 October 2023

As at the date of this announcement, the executive directors of the Company are Mr. Li Weiqi, Mr. Wu Haipeng and Mr. Yeung Shek Hin; the non-executive directors of the Company are Mr. Zhi Xiaoye and Mr. Shao Dan; and the independent non-executive directors of the Company are Mr. Cui Yulei, Ms. Hsu Wai Man Helen and Mr. Xu Jianwen.