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PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the currently available information, the Board wishes to inform the Shareholders and potential investors that the Group is expected to record a decrease in net profit by approximately 30% to 50% for the year ended 31 December 2020 as compared to the net profit of approximately RMB20.5 million for the year ended 31 December 2019.

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

This announcement is made by Sino Gas Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the currently available information, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a decrease in net profit by approximately 30% to 50% for the year ended 31 December 2020 (the “**Year**”) as compared to the net profit of approximately RMB20.5 million for the year ended 31 December 2019.

The Board considers that the changes in results for the Year are mainly due to the following factors:

- (i) Affected by various traffic control measures implemented during the outbreak of novel coronavirus epidemic (the “**Epidemic**”) in the People's Republic of China (the “**PRC**”), the Group’s liquefied petroleum gas (the “**LPG**”) vehicular business and compressed natural gas vehicular business, which have relatively higher gross profit, decreased significantly in the Year as compared with the same period last year, resulting in the decrease of the Group’s profit. This effect had been basically disappeared in the second half of 2020 when the Epidemic in the business area of the Group was effectively controlled and the traffic control measures were lifted; and
- (ii) Due to the replacement of some LPG vehicles with liquefied natural gas and electric vehicles in the PRC, the decrease in the sales volume of the vehicular refuelling stations of the Group resulted in partial impairment losses on the assets of the vehicular refuelling stations and a decrease in the Group's profit.

The Board will continue to closely review the strategies and operations of the Group and make timely adjustments to the business strategy.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2020, the information contained in this announcement is only based on the Board’s preliminary assessment of the Group’s unaudited consolidated management accounts, and may be subject to adjustments. The actual results of the Group for the year ended 31 December 2020 have not been finalised and have not been audited or reviewed by the auditors of the Company. The actual results of the Group for the year ended 31 December 2020 to be published may be different from what is contained in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2020. The Company's annual results for the year ended 31 December 2020 are expected to be announced before the end of March 2021.

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

By Order of the Board
Sino Gas Holdings Group Limited
Mr. Ji Guang
Chairman

Hong Kong, 22 March 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