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DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INTERESTS IN A PARTNERSHIP FUND

THE FUND SUBSCRIPTION

On 9 April 2021, the Company, through GD Investment, subscribed interests in the Partnership Fund in the amount of RMB20 million. Through the Fund Subscription, GD Investment became one of the limited partners of the Partnership Fund.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription exceed 5% but are less than 25%, the Fund Subscription constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION - THE FUND SUBSCRIPTION

On 9 April 2021, the Company, through GD Investment, subscribed interests in the Partnership Fund in the amount of RMB20 million. Through the Fund Subscription, GD Investment became one of the limited partners of the Partnership Fund. The Company understands from the Manager that it is in the process of soliciting other investors to invest in the Partnership Fund and the Company will not be the only investor of the Partnership Fund. The size of the Partnership Fund is expected to be RMB45 million.

THE SUBSCRIPTION AGREEMENT

Details of the terms of the Subscription Agreement are as follows:

Parties

- (i) GD Investment (as the Subscriber); and
- (ii) Shenzhen Qianhai Qianyuan Kunyi Equity Investment Fund Management Co., Ltd.* (深圳市前海乾元坤一 股權投資基金 管理有限公司) (as the Fund Manager)

Assets to be acquired and subscription amount

Pursuant to the Subscription Agreement, GD Investment agreed to subscribe interests in the Partnership Fund in the amount of RMB20 million, which was payable in cash by GD Investment from the Group's internal resources. The subscription amount of RMB20 million is determined based on the condition of the Group's idle cash.

Major terms of the Subscription Agreement

Name of the Partnership Fund: Guangzhou Qiande Education Consulting Partnership (Limited Partnership)* 廣州乾德教育諮詢合夥企業 (有限合夥)

Operation of the Partnership Fund: Through the Fund Subscription, GD Investment became one of the limited partners of the Partnership Fund.

All partners agree to entrust Shenzhen Qianhai Qianyuan Kunyi Equity Investment Fund Management Co., Ltd.* (深圳市前海乾元坤一 股權投資基金 管理有限公司) (“**Shenzhen Qianyuan Kunyi**”) as the Manager of the Partnership Fund. The management, control, operation, and decision-making powers of the partnership and its investment business and other activities belong to the Manager.

Duration: The Partnership Fund has a duration of 5 years from the date of its establishment.

In the event when the Partnership Fund expires and investment projects still survive, the Partnership Fund will be further extended for one more year, but the cumulative duration of the Partnership Fund shall not exceed 50 years.

In three months before the expiration of the Partnership Fund, if the partners representing more than two-thirds of the total capital contribution agree that the Partnership Fund will not be extended, the Partnership Fund shall then enter into liquidation, and the Manager should actively realise the assets of the Partnership Fund based on the principle of maximizing the benefits of the Partnership Fund.

Investment objectives and strategies:

All partners of the Partnership Fund unanimously agree that the signing of the Subscription Agreement is deemed to be aware of and approval of the Partnership Fund's investment in the unlisted company's equity in the Series A financing (the "**Series A Investment**") of Guangzhou Hengxin Education Investment Development Co., Ltd.* (廣州恒鑫教育投資發展有限公司) ("**Guangzhou Hengxin**").

Prior to the completion of the relevant filing of the Partnership Fund, the Partnership Fund can invest in cash management tools recognised by the CSRC, such as bank demand deposits, treasury bonds, central bank bills, and money market funds for the purpose of cash management.

After the completion of the filing of the Partnership Fund, more than 95% of the Partnership Fund are mainly directly or indirectly invested in the Series A Investment. Idle funds can be invested in bank demand or time deposits, structured deposits, treasury bonds, central bank bills, fixed-income wealth management, floating-income wealth management, reverse repurchase treasury bonds and money market funds.

Non-guarantee of principal or income:

The Fund Manager does not guarantee that the Subscriber's principal and income are protected and does not provide any assurance on the actual or expected return on the Partnership Fund.

Management fee of the Partnership Fund:

The management fee is at 1% of the investment amount per annum. The Partnership Fund shall pay the management fee for the first three years to the Manager within 5 days from the date of receipt of the first investment payment, and the management fee for subsequent year(s) is paid when the accrual for the previous year is completed.

For any income generated by the Partnership Fund in the first three years, the Manager has no performance bonus; and for any income generated after the Partnership Fund is over three years, the Manager can withdraw the 20% of the excess return as a performance bonus. Such bonus withdrawn by the Manager should be reviewed and confirmed when the income of the Partnership Fund is distributed.

Historical return of the Fund:	Not applicable as the Fund is newly launched.
Restrictions of the Fund:	<ul style="list-style-type: none"> (i) The limited partnership shall have no more than 49 limited partners. (ii) The Partnership Fund shall not engage in the following businesses or investments: directly engagement in production and operation business; it shall not invest in other types of private equity funds; it shall not provide external funds, financial assistance and guarantees; it shall not engage in investments such as in secondary market stocks, futures, real estate projects, investment in securities investment funds, and financial derivatives, etc.; it shall have no external borrowing for investment (except for bank-related merger and acquisition loans); it shall have no expenses on sponsorship, donation, etc.; it cannot engage in other investment businesses that violate laws and regulations.
Sharing of loss:	Limited partners of the Partnership Fund shall bear limited liability for partnership debts within the limit of their subscribed capital contributions, while the general partners of the Partnership Fund shall bear unlimited joint liability for the partnership debts.
Fund distribution principle:	<p>The distribution principle of the Partnership Fund's distributable funds is "return the capital first and then distribute the profits". However, every distributable fund obtained during the operation of the Fund shall first be allocated in proportion to the actual contribution of each partner and to the Manager as performance bonus. When the Fund enters into liquidation, the performance bonus withdrawn by the previous Manager(s) shall be adjusted for final distribution, so that all partners can recover their investment capital for the project according to the proportion of their actual paid-in capital.</p> <p>Each distributable fund obtained during the operation of the Fund shall be arranged in the following order of fund distribution:</p> <ul style="list-style-type: none"> (i) Payment of relevant duties and fees required by law; (ii) Payment of management fees and distribution of Manager's performance bonus; (iii) The distributable funds are distributed according to the proportion of all partners' actual contributions; (iv) During liquidation and where all partners have not recovered their investment capital in the project, adjust some of the performance bonus that the previous Manager(s) have withdrawn and the Manager shall return part of the performance bonus to the Partnership Fund;

- (v) The remaining funds shall be distributed to the partners in proportion to their respective actual paid-in amount.

INFORMATION OF THE GROUP AND THE SUBSCRIBER

The Group

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 and the operation of vehicular refuelling stations and domestic stations in Guangdong Province, Henan Province and Hebei Province.

GD Investment is a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company and is principally engaged in investment business in the PRC.

INFORMATION OF THE MANAGER

Shenzhen Qianyuan Kunyi, as the Manager of the Partnership Fund, has been registered as a private equity fund manager with the China Securities Investment Fund Association, with the manager registration no P1006780. It is principally engaged in asset management services in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Shenzhen Qianyuan Kunyi and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Mr. Chen Jianle (陳健樂) is the ultimate beneficial owner of the controlling equity interest in the Manager. He is principally engaged in the business of investments in capital market and is also a third party independent of the Company and its connected persons.

INFORMATION OF GUANGZHOU HENGXIN

Guangzhou Hengxin is a company established in the PRC with limited liability and is principally engaged in education related investment business in the PRC. It is mainly engaged in basic education, campus construction and other operations and services business. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Guangzhou Hengxin and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The principal purpose of the Company of the Fund Subscription is to diversify the investment portfolio of the Company with an aim to enhancing its profitability. The Fund Subscription provides an opportunity to the Company to enhance return by utilising the idle cash of the Group and achieve better return for its Shareholders. The participation in the Partnership Fund as a limited partner also enables the Group to leverage the expertise of Manager in terms of asset and investment management, thereby supporting the making of more effective and efficient investment decisions. Furthermore, the Manager was established in July 2014 and was filed as a private equity fund manager with the China Fund Association (中國基金業協會) in January 2015. After making reasonable enquiries on the Manager, the Manager is a professional equity investment institution with securities and banking experience, and the management of the Manager is active in the capital market with previous experience in issuance of fund products with average return of approximately 33% on previous investment projects. The core team members of the Manager have an average of more than 10 years of venture capital investment experience, of which the executive director and

investment director have 18 years of financial industry experience, more than ten years of banking management experience, and have served as partners of multiple funds. The risk control director has more than 20 years of financial industry experience. He has served as a bank risk control executive, a private equity fund company risk control executive, and has a wealth of practical experience in risk control. The Manager became a partnered institution of Guangzhou Emerging Industry Development Guidance Fund Cooperation Agency (廣州市新興產業發展引導基金合作機構) in 2017 and was awarded with the Panyu District Strategic Emerging Industry Venture Investment Guidance Fund Cooperation Agency (番禺區戰略性新興產業創業投資引導基金合作機構) in 2018. The Manager was also awarded with "Top 9 in Golden Exchange Award - China's Best New Talent" in 2018 (金匯獎·中國最佳新銳基金TOP9). The legal representative and executive director of the Manager was awarded with 2018 China's most favored new founding partner of mother fund (2018年度中國最受母基金青睞新銳創始合夥人).

In light of the above, the Directors are of the view that the terms of the Subscription Agreement and transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

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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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“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)
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Fund Manager” or “Manager”	Shenzhen Qianhai Qianyuan Kunyi Equity Investment Fund Management Co., Ltd.* (深圳市前海乾元坤一股票投資基金管理有限公司)
“Fund Subscription” or “Subscription”	subscription of interests in the Partnership Fund in an amount of RMB20 million by GD Investment on 9 April 2021

“GD Investment” or “Subscriber”	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 our Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Partnership Fund”	Guangzhou Qiande Education Consulting Partnership (Limited Partnership)* 廣州乾德教育諮詢合夥企業(有限合夥)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Taiwan and Macau Special Administrative Region
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 9 April 2021 entered into between GD Investment and the Fund Manager whereby GD Investment subscribed interests in the Partnership Fund in an amount of RMB20 million
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“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, 9 April 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