

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the annual report for the year ended 31 December 2019 published by Sino Gas Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on 27 April 2020 (the “**2019 Annual Report**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the 2019 Annual Report.

USE OF PROCEEDS FROM THE LISTING

After deduction of all related listing expenses and commissions, the net proceeds from the Listing amounted to approximately HK\$120.3 million. Details of the proposed use of such net proceeds are disclosed in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated 14 December 2018 and subsequently revised in the announcement issued by the Company dated 27 February 2020.

In addition to the information disclosed in the section headed “Management Discussion and Analysis” in the 2019 Annual Report, the board of directors would like to provide further information pursuant to paragraphs 11(8)(b) of Appendix 16 to the Listing Rules in relation to the use of net proceeds as follows:

Intended use of proceeds	Original Allocation HK\$ million	Revised Allocation⁽³⁾ HK\$ million	Utilisation as at 31 December 2019 HK\$ million	Remaining balance as at 31 December 2019 HK\$ million	Expected timeline for full utilisation of the remaining proceeds⁽⁴⁾
To acquire operating rights of an LPG domestic station ⁽¹⁾	20.5	20.5	0	20.5	By the end of 2021
To strengthen our LPG logistics and storage capacity by constructing storage facilities ⁽²⁾	21.7	21.7	0	21.7	By the end of 2021
To complete construction, purchase land, equipment and machineries and installation for the new CNG mother station ⁽²⁾	27.7	14.5	10.0	17.7	By the end of 2021

Intended use of proceeds	Original Allocation HK\$ million	Revised Allocation ⁽³⁾ HK\$ million	Utilisation as	Remaining	Expected timeline for full utilisation of the remaining proceeds ⁽⁴⁾
			at 31 December 2019 HK\$ million	balance as at 31 December 2019 HK\$ million	
To construct new refuelling stations, purchase and install their requisite equipment and machineries and perform maintenance of our existing refuelling stations ⁽²⁾	24.1	16.1	14.1	10.0	By the end of 2020
To increase our logistics capacity by purchasing additional vehicle fleets	14.4	14.4	0	14.4	By the end of 2023
To finance the acquisition ⁽³⁾	–	21.1	–	–	–
General working capital	12.0	12.0	12.0	0	–
Total	120.3	120.3	36.1	84.2⁽⁵⁾	

Notes:

1. Due to the impact of the coronavirus disease 2019 (“COVID-19”) on the global economy and business environment, the Group has not yet identified a suitable acquisition target. The Group will continue to actively identify suitable acquisition targets by adopting prudent strategy.
2. The construction of storage facilities, new CNG mother station and new refuelling stations are affected by the change of project progress and COVID-19, and the Group will delay the use of net proceeds accordingly.
3. As of the date of this announcement, the Group has completed the acquisition of 50% of the equity interests of Henan Blue Sky Sino Gas Technology Company Limited, and fully utilised the redistributed net proceeds at the end of March 2020. For details, please refer to announcement of the Company dated 27 February 2020.
4. The expected timeline for full utilisation of the remaining proceeds is made based on the best estimation of the Group taking into account, among others, the prevailing and future market conditions and business developments and need, and therefore is subject to change.
5. As of 31 December 2019, the unutilised net proceeds were deposited into interest-bearing bank accounts.

OTHER OPERATING EXPENSES

	Notes	Year ended 31 December	
		2019 RMB'000	2018 RMB'000
Listing expenses	1	756	16,600
Utilities expenses	2	8,916	6,580
Professional service fees	3	7,933	2,397
Maintenance expenses	4	5,480	4,138
Administrative expenses		4,244	2,809
Other taxation	5	2,801	3,343
Entertainment expenses		2,310	1,970
Transportation fees		2,300	2,429
Impairment losses	6	1,544	24
Others	7	6,626	4,132
Other operating expenses		42,910	44,422

Notes:

1. Listing expenses represent the expenses incurred for the Group's Listing.
2. Utilities expenses mainly represent water and electricity expenses for the Group's refuelling stations and office premises.
3. Professional service fees mainly represent audit fee, legal fee, compliance adviser fee, company secretary service fee etc. The primary reason for the increase in professional service fees in 2019 as compared to 2018 is the increase in fees paid to professional institutions after the Listing.
4. Maintenance expenses were incurred for the Group's refuelling stations.
5. Other taxation represents city maintenance and construction tax, education surcharges, property tax, land use tax, stamp duty etc.
6. Impairment losses represent impairment losses on trade and other receivables, and impairment losses on the property, plant and equipment attributable to the Group's gas refuelling stations.
7. Others mainly represent equipment quality inspection expenses, property management fee, insurance fee, bank service fee and other miscellaneous expenses.

The Company confirms that, save as supplemented above, all other contents in the 2019 Annual Report are correct and remain unchanged. This announcement is supplemental to the 2019 Annual Report and should be read in conjunction with other contents in the 2019 Annual Report.

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

Hong Kong, 3 August 2020

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Ji Guang (*Chairman and Chief Executive Officer*)

Ms. Ji Ling (*Vice-Chairman*)

Ms. Cui Meijian

Mr. Zhou Feng

Independent Non-executive Directors:

Mr. Sheng Yuhong

Mr. Wang Zhonghua

Dr. Zheng Jian Peng