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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Gas Industry Investment Holdings Co. Ltd., you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.

(Incorporated in the Cayman Islands with members' limited liability)

(Stock code: 1940)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and
Independent Shareholders**

Nuada Limited

Capitalised terms used in this cover shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 22 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-27 of this circular.

A notice convening the EGM to be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong, on Wednesday, 31 December 2025 at 11:00 a.m. (Hong Kong time) is set out on pages EGM-1 to EGM-3 of this circular. A proxy form for use at the EGM is enclosed with this circular. Such proxy form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cgiihldgs.com). Whether or not you intend to attend the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the completed proxy form to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM (i.e. not later than 11:00 a.m., on Monday, 29 December 2025 (Hong Kong time)) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

12 December 2025

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DEFINITIONS

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

“Announcement”	the announcement issued by the Company dated 20 November 2025 in relation to, among other things, the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Gas Industry Investment Holdings Co. Ltd., a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1940)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“continuing connected transactions”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“EGM”	an extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve, the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps
“Gas Products and Related Services Transaction(s)”	the supply of gas products (including pipeline and liquefied industrial gas and other gas products as agreed by the Group and members of the HBIS Group from time to time) and the provision of related services (including provision of gas transmission and storage tanks rental services) to members of the HBIS Group mainly for their production of iron and steel products under the Master Gas Products and Related Services Agreement
“Group”	the Company and its subsidiaries

DEFINITIONS

“HBIS”	HBIS Group Co., Ltd.* (河鋼集團有限公司), a joint stock limited company established under the laws of the PRC with limited liability, a wholly-owned subsidiary of Hebei Province SASAC and one of the Controlling Shareholders
“HBIS Company”	HBIS Company Limited* (河鋼股份有限公司), a joint stock limited company established under the laws of the PRC with limited liability and listed on the Shenzhen Stock Exchange (stock code: 000709.SZ), a subsidiary of HBIS
“HBIS Group”	HBIS and its subsidiaries and their respective associates, but excluding the Group
“HBIS Tangsteel”	Tangshan Iron and Steel Group Co., Ltd. (唐山鋼鐵集團有限責任公司), a company established under the laws of the PRC with limited liability on 28 December 1995 and a subsidiary of HBIS
“Hebei Province SASAC”	State-owned Assets Supervision and Administration Commission of The People’s Government of Hebei Province
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company established by all the independent non-executive Directors to advise the Independent Shareholders on the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps
“Independent Financial Adviser”	Nuada Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Product Annual Caps and the Proposed Utilities Annual Caps
“Independent Shareholders”	the Shareholders other than HBIS Group

* for identification purpose only

DEFINITIONS

“Independent Third Party(ies)”	individual(s) or company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any directors, chief executives and substantial shareholders of the Company or any of its subsidiaries and any of their respective associates
“Latest Practicable Date”	10 December 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to publication
“Listing Date”	29 December 2020, being the date on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Gas Products and Related Services Agreement”	the framework agreement entered into on 17 June 2020 between the Company and HBIS in respect of Gas Products and Related Services Transactions
“Master Utilities and Related Services Agreement”	the framework agreement entered into on 17 June 2020 between the Company and HBIS in respect of the Utilities and Related Services Transactions
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Gas Products Annual Caps”	the proposed new annual caps in respect of the transactions contemplated under the Master Gas Products and Related Services Agreement for the three financial years ending 31 December 2028
“Proposed Utilities Annual Caps”	the proposed new annual caps in respect of the transactions contemplated under the Master Utilities and Related Services Agreement for the three financial years ending 31 December 2028
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	the ordinary share(s) of par value US\$0.0001 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Utilities and Related Services Transactions”	the procurement of utilities including, among other things, water, electricity, steam and coke oven gas, related equipment (including electrical cabinet and cables) and services (including sewage treatment services) from members of the HBIS Group under the Master Utilities and Related Services Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	the US dollars, the lawful currency of the United States
“%”	per cent.

LETTER FROM THE BOARD

CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.

(Incorporated in the Cayman Islands with members' limited liability)

(Stock code: 1940)

Executive Directors:

Mr. Song Changjiang (*Chairman*)

Mr. Sun Changhuan

Non-executive Directors:

Mr. Zhang Wenli

Ms. Ng Shuk Ming

Independent non-executive Directors:

Mr. Siu Chi Hung

Mr. Xiao Huan Wei

Ms. Li Chun Elsy

Registered Office:

Cricket Square, Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business and

Head Office in the PRC:

Laoting Economic Development Zone

No. 12 Yantai Road

Hebei Province

PRC

Principal Place of Business in Hong Kong:

Unit 2704A, 27th Floor

Nine Queen's Road Central

9 Queen's Road Central

Hong Kong

12 December 2025

To the Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the Announcement issued by the Company dated 20 November 2025 in relation to, among other things, the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities 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; and (iv) the notice of the EGM and other information as required under the Listing Rules.

BACKGROUND

References are also made to (i) the section headed “*Continuing Connected Transaction*” in the prospectus of the Company dated 16 December 2020 (the “**Prospectus**”) in relation to, among other things, the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement; (ii) the announcement issued by the Company dated 29 June 2022 in relation to, among other things, supplying pipeline oxygen to Tangshan Plate Material Company Limited* (唐山中厚板材有限公司); and (iii) the circular issued by the Company dated 12 December 2022 in relation to the renewal of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement. On 17 June 2020, the Company entered into the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement with HBIS to regulate certain continuing connected transactions with the HBIS Group. As mentioned in the Prospectus, the transactions contemplated under the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules. The initial term of each the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement expired on 31 December 2022 and shall thereafter be automatically renewed for a successive period of three years thereafter subject to compliance with the Listing Rules. At the extraordinary general meeting of the Company held on 29 December 2022, the then independent shareholders of the Company approved the renewal of the relevant continuing connected transactions and the annual caps for the three years from 1 January 2023 to 31 December 2025.

On 20 November 2025, the Company and HBIS agreed to renew the terms of each the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement upon the expiry of its renewal term on 31 December 2025 for a further term of three years commencing on 1 January 2026 to 31 December 2028, subject to compliance with the Listing Rules. There has been no change in the terms of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement since they were initially entered into on 17 June 2020.

* for identification purpose only

LETTER FROM THE BOARD

MASTER GAS PRODUCTS AND RELATED SERVICES AGREEMENT

Pursuant to the Master Gas Products and Related Services Agreement entered into between the Company and HBIS, the Company agreed to supply gas products (including pipeline and liquefied industrial gas and other gas products as agreed by the Group and members of the HBIS Group from time to time) and provide related services (including provision of gas transmission and storage tanks rental services) to members of the HBIS Group mainly for their production of iron and steel products (i.e. the Gas Products and Related Services Transactions).

Principal terms of the Master Gas Products and Related Services Agreement are as follows:

- Term: Commencing from the Listing Date to 31 December 2022, and further renewed for a term of three years ending on 31 December 2025. It will be automatically renewed for a successive period of three years thereafter subject to compliance with the Listing Rules.
- Transactions: At any time during the term, the Group may from time to time enter into operational agreement(s) with members of the HBIS Group in relation to any Gas Products and Related Services Transaction(s) upon, and subject to, the terms and conditions of the Master Gas Products and Related Services Agreement (the “**Operational Gas Products and Related Services Agreement(s)**”). Each of the Company and HBIS agreed to procure their respective members to comply with the terms of the Master Gas Products and Related Services Agreement.
- Pricing guidelines: The unit price for each type of industrial gas products and the fees for related services are set out in the relevant Operational Gas Products and Related Services Agreement subject to adjustment by parties entering into a supplemental agreement.

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The unit price for each type of the pipeline industrial gas products is determined on cost plus basis, generally with a mark-up of not less than 10%, after arm's length negotiations between the relevant parties, taking into account major costs, including electricity expenses (with reference to the government-prescribed price which is publicly available, such as the electricity price list for commercial and industrial users of the State Grid Jibei Electric Power Company Limited (國網冀北電力有限公司) which is updated monthly on its official website (<http://www.jibei.sgcc.com.cn/html/main/col40274/column402741.html>); and, before approving the relevant operational agreements, the Group shall compare the electricity price from the HBIS Group with the government-prescribed price to ensure that the price of the former is not less favourable than that of the latter), depreciation of equipment and the administrative and finance cost.

The unit price of each type of liquefied industrial gas and fees for storage tanks rental services will be determined with reference to the relevant market price charged by Independent Third Party providers, which is updated daily on weekdays on the website of Oilchem (隆眾資訊) (<https://www.oilchem.net>) for the same or similar type of liquefied industrial gas and rental services and actual cost which includes the transportation cost, where applicable.

The fees for gas transmission are determined on cost plus basis generally with a mark-up of not less than 6%, and based on actual costs and expenses incurred in providing such service.

Monthly settlement is made on the basis of the actual supply volume subject to the minimum purchase volume by each of the relevant member of the HBIS Group under the relevant Operational Gas Products and Related Services Agreement where applicable.

Payment term:

In accordance with the terms of the Operational Gas Products and Related Services Agreements which will be payable within seven days or thirty days from the HBIS Group's receipt of the statement of account and the invoice as confirmed by the Group and the HBIS Group.

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As the Group's business is electricity intensive, where relevant, the existing Operational Gas Products and Related Services Agreements provide for a price adjustment mechanism for the pipeline gas products in proportion to the fluctuation in electricity price and supplemental agreements between the Group and relevant member of the HBIS Group have been or will be made to reflect the price adjustment under such mechanism.

The following table sets out the major existing Operational Gas Products and Related Services Agreements as at the Latest Practicable Date:

Counterparty	Relationship with the Group	Nature of the transaction	Term
Tangshan Plate Material Company Limited* (唐山中厚板材有限公司)	Subsidiary of HBIS Company	Supply of industrial gas, including but not limited to pipeline oxygen, nitrogen and hydrogen and liquefied oxygen, nitrogen and argon	January 2015 to December 2029 and further extended to September 2033
HBIS Laosteel Company Limited* (河鋼樂亭鋼鐵有限公司)	Subsidiary of HBIS	Supply of industrial gas, including but not limited to pipeline oxygen, nitrogen, argon and hydrogen and liquefied oxygen and nitrogen	October 2020 to October 2035

Despite that the Master Gas Products and Related Services Agreement has a renewal term of three years, the majority of the major existing Operational Gas Products and Related Services Agreements were entered into on a long-term basis as set out above.

The major existing Operational Gas Products and Related Services Agreements have been entered into on a long-term basis before listing. As disclosed in the section headed "Continuing Connected Transaction" in the Prospectus, the then Directors believed that the long-term industrial gas supply arrangement could protect the interests of the Company and the Shareholders by minimising the Company's investment and capital risk in incurring a large amount of capital expenditure in the construction of production facilities before generating any revenue. They were of the view that the long-term industrial gas supply arrangement was necessary for the efficient and continuing operation of the Company. The Directors hold the same view as the then Directors set out above. Furthermore, the then industry consultant of the Company had confirmed that the long-term industrial gas supply arrangement was an established

* for identification purpose only

LETTER FROM THE BOARD

feature of the Company's business model for its on-site industrial gas supply operation and was consistent with the industry norm, and the then sponsor of the Company was of the view that it was normal business practice for contracts of this type to be of such duration.

The Independent Financial Adviser has confirmed that it is in the normal business practice for the Operational Gas Products and Related Services Agreements to be of such duration. For details, please refer to the section headed "*Letter from the Independent Financial Adviser*" below in this circular.

As disclosed in the Prospectus, the then Directors confirmed each of the Operational Gas Products and Related Services Agreements was and would be subject to the terms and conditions of the Master Gas Products and Related Services Agreement. Upon expiration of such master agreement and its annual caps, and in the event that the approval from the independent Shareholders for its renewal or new annual caps is not granted, the Company will re-comply with the relevant Listing Rules or apply for waivers in respect of each of the Operational Gas Products and Related Services Agreements, where applicable. The Directors also confirm the aforesaid arrangement.

Historical transaction amounts and the Proposed Gas Products Annual Caps

In view of the upcoming renewal of the Master Gas Products and Related Services Agreement, the Company and HBIS have agreed on the Proposed Gas Products Annual Caps, which will apply subject to compliance with the requirements of the Listing Rules. Details of the historical transaction amounts of the Gas Products and Related Services Transactions with the HBIS Group and the Proposed Gas Products Annual Caps as agreed between the Company and HBIS are set out below:

	For financial years ended/ending 31 December		
	2023	2024	2025
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Original annual caps	1,410.0	1,621.0	1,864.0
Historical transaction amounts	1,094.9	1,058.7	916.2
			(up to
			31 October
			2025)
	2026	2027	2028
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Proposed Gas Products			
Annual Caps	1,810.0	1,991.0	2,190.0

LETTER FROM THE BOARD

Basis of the Proposed Gas Products Annual Caps

In arriving at the Proposed Gas Products Annual Caps, the Directors have considered the following major factors:

- (i) the current production capacity of the equipment of the Group;
- (ii) the historical sales amount of the gas products and related services to the HBIS Group for the financial years ended 31 December 2023 and 2024 and the ten months ended 31 October 2025;
- (iii) the minimum purchase volume, where applicable, for each type of the pipeline industrial gas under the existing Operational Gas Products and Related Services Agreements;
- (iv) the production plans of the pipeline industrial gas customers of the Company which reflect the anticipated increasing pipeline industrial gas demand of such customers for the year ending 31 December 2026 and the estimated purchase volume under such production plans is over the minimum purchase volume as stated in the relevant agreements. To meet the rising demand for pipeline industrial gas from the HBIS Group based on their 2026 production plans, the Group has invested a new production equipment which has commenced production since November 2025;
- (v) the agreed unit price for each type of the gas products and related services under the existing Operational Gas Products and Related Services Agreements, which is expected to remain stable but subject to possible price adjustment due to the electricity price fluctuation; and
- (vi) the estimated 10% increase per annum in demand of the gas products and related services to the HBIS Group for the financial years ending 31 December 2027 and 2028, respectively, due to the expected economic growth in the PRC and inflation trends in China.

Taking into account the above, the Directors consider that the Proposed Gas Products Annual Caps are fair and reasonable.

Reasons for and benefits of entering into the Gas Products and Related Services Transactions

The HBIS Group is a leading state-owned iron and steel group in Hebei Province and the Group and the HBIS Group are long-standing partners. Ever since the first operating subsidiary of the Group which was initially set up in 2007, the Group has been supplying industrial gas to

LETTER FROM THE BOARD

the HBIS Group in close proximity of the Tangshan area adjacent to the iron and steel production sites of the relevant members of the HBIS Group as their exclusive industrial gas supplier within each of such iron and steel production sites.

Given the HBIS Group's dominant position in PRC's iron and steel industry and in particular in Hebei Province where the iron and steel industry is and is expected to continue to be dominated by only a few players, as well as its needs for industrial gas for iron and steel production, the Directors believe that the sales of industrial gas to the HBIS Group will provide the Company a steady source of income and it is in the interests of the Company and the Shareholders as a whole to continue to carry out the Gas Products and Related Services Transactions.

Given (i) the prices/fees involved in the relevant transactions under the Master Gas Products and Related Services Agreement shall be agreed and confirmed by both parties thereof, and shall be negotiated and determined based on major costs or the then prevailing market price charged by the Independent Third Party(ies) (where applicable) as set out in the paragraph headed "*Master Gas Products and Related Services Agreement*" above; and (ii) the Group has implemented certain internal control measures to ensure the continuing connected transactions under such framework agreement are on normal commercial terms or no less favourable to the Group than those available from Independent Third Parties to the Group for the same or similar type of services as set out in the paragraph headed "*Internal Control Measures*" below.

Based on the above, among other things, the Board (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser) considers that the Master Gas Products and Related Services Agreement has been conducted on normal commercial terms in the ordinary and usual course of business of the Group, and the terms of the Master Gas Products and Related Services Agreement and the Proposed Gas Products Annual Caps are fair and reasonable and renewal of such master agreement in the interest of the Company and its Shareholders as a whole.

MASTER UTILITIES AND RELATED SERVICES AGREEMENT

Pursuant to the Master Utilities and Related Services Agreement entered into between the Company and HBIS, the Company agreed to procure from members of the HBIS Group utilities including, among others, water, electricity, steam and coke oven gas ("**COG**"), related equipment (including electrical cabinet and cables) and services (including sewage treatment services) (the "**Utilities and Related Services**") (i.e. Utilities and Related Services Transactions).

LETTER FROM THE BOARD

Principal terms of the Master Utilities and Related Services Agreement are as follows:

- Term:** Commencing from the Listing Date to 31 December 2022, and further renewed for a term of three years ending on 31 December 2025. It will be automatically renewed for a successive period of three years thereafter subject to compliance with the Listing Rules.
- Transactions:** At any time during the term, the Group may from time to time enter into operational agreement(s) with members of the HBIS Group in relation to any Utilities and Related Services Transaction(s) upon, and subject to, the terms and conditions of the Master Utilities and Related Services Agreement (the **“Operational Utilities and Related Services Agreements”**). Each of the Company and HBIS agreed to procure their respective members to comply with the terms of the Master Utilities and Related Services Agreement.
- Pricing guidelines:** The pricing of each of the Utilities and Related Services provided under the Master Utilities and Related Services Agreement shall be determined with reference to the following principles in ascending order:
- (i) government-prescribed price: if at any time, the government-prescribed price is applicable to any particular type of the Utilities and Related Services, such type of Utilities and Related Services shall be provided at the applicable government-prescribed price, whether national or local, such as the electricity price prescribed by the Development and Reform Commission of Hebei Province and water price prescribed by the Development and Reform Commission of Tangshan. The government-prescribed price is publicly available, such as the electricity price list for commercial and industrial users of the State Grid Jibei Electric Power Company Limited (國網冀北電力有限公司) and such price list is updated monthly on its official website (<http://www.jibei.sgcc.com.cn/html/main/col40274/column402741.html>);

LETTER FROM THE BOARD

- (ii) government-guided price: if at any time, the government-guided price is applicable to any particular type of the Utilities and Related Services, such type of Utilities and Related Services shall be provided within the range of such government-guided price, whether national or local;
- (iii) tendering process (where applicable): where the above two price standards are not available for a particular type of the Utilities and Related Services and any of the Utilities and Related Services Transactions is subject to tendering process in accordance with the relevant internal policies and procedures of members of the Group, the price of such type of the Utilities and Related Services shall be determined by tendering process in accordance with the relevant internal policies and procedures of members of the Group; and
- (iv) market price: where the above price standards are not available for a particular type of the Utilities and Related Services, the price of such type of Utilities and Related Services shall be determined with reference to the market price. In determining the market price, both parties shall take into consideration the following key factors:
 - (a) the prevailing market prices charged by at least two Independent Third Parties for providing the same or similar type of Utilities and Related Services in the region where the type of the Utilities and Related Services is provided by relevant members of the HBIS Group;
 - (b) the prices charged by relevant members of the HBIS Group for providing the same or similar type of Utilities and Related Services to the Independent Third Parties; and
 - (c) the prices charged by relevant members of the HBIS Group for providing the same or similar type of Utilities and Related Services to other members of the HBIS Group.

LETTER FROM THE BOARD

Payment term: In accordance with the terms of the Operational Utilities and Related Services Agreements which will be payable within seven days or thirty days from the Group's receipt of the statement of account and the invoice as confirmed by the Group and the HBIS Group.

The following table sets out the major existing Operational Utilities and Related Services Agreements as at the Latest Practicable Date:

Counterparty	Relationship with the Group	Nature of the transaction	Term
Tangshan Plate Material Company Limited* (唐山中厚板材有限公司)	Subsidiary of HBIS Company	Procurement of utilities, including electricity, water and steam	January 2015 to December 2029 and further extended to September 2033
HBIS Laosteel Company Limited* (河鋼樂亭鋼鐵有限公司)	Subsidiary of HBIS	Procurement of utilities, including electricity, water, steam and COG	October 2020 to October 2035

Despite that the Master Utilities and Related Services Agreement has a renewal term of three years, the majority of the major existing Operational Utilities and Related Services Agreements were entered into on a long-term basis as set out above. The major existing Operational Utilities and Related Services Agreements have been entered into on a long-term basis before listing and the terms including the renewal arrangements of the major existing Operational Utilities and Related Services Agreements are in line with the terms of the major existing Operational Gas Products and Related Services Agreements with the respective members of the HBIS Group.

The Independent Financial Adviser has confirmed that it is in the normal business practice for the Operational Utilities and Related Services Agreements to be of such duration. For details, please refer to the section headed “*Letter from the Independent Financial Adviser*” below in this circular.

As disclosed in the Prospectus, the then Directors confirmed each of the Operational Utilities and Related Services Agreements was and would be subject to the terms and conditions of the Master Utilities and Related Services Agreement. Upon expiration of such master agreement and its annual caps, and in the event that the approval from the independent Shareholders for its renewal or new annual caps is not granted, the Company will re-comply with the relevant Listing Rules or apply for waivers in respect of each of the Operational Utilities and Related Services Agreements, where applicable. The Directors also confirm the aforesaid arrangement.

* for identification purpose only

LETTER FROM THE BOARD

Historical transaction amounts and the Proposed Utilities Annual Caps

In view of the upcoming renewal of the Master Utilities and Related Services Agreement, the Company and HBIS have agreed on the Proposed Utilities Annual Caps, which will apply subject to compliance with the requirements of the Listing Rules. Details of the historical transaction amounts of the Utilities and Related Services Transactions from the HBIS Group and the Proposed Utilities Annual Caps as agreed between the Company and HBIS are set out below:

	For financial years ended/ending 31 December		
	2023	2024	2025
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Original annual caps	1,168.0	1,343.0	1,545.0
Historical transaction amounts	952.6	812.4	739.2
			(up to 31 October 2025)
	2026	2027	2028
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Proposed Utilities Annual Caps	1,320.0	1,452.0	1,597.0

Basis of the Proposed Utilities Annual Caps

In arriving at the Proposed Utilities Annual Caps, the Directors have considered the following major factors:

- (i) the historical transaction amount for the financial years ended 31 December 2023 and 2024 and the ten months ended 31 October 2025;
- (ii) the Group's projected demand for utilities (including electricity, water and steam, COG and etc.), which are mainly procured from the HBIS Group based on the Group's gas production schedule for the year ending 31 December 2026;
- (iii) the agreed unit price for each type of the Utilities and Related Services (such as electricity, water, coke oven gas and etc.) under the existing Operational Utilities and Related Services Agreements which is expected to remain stable; and
- (iv) the estimated 10% increase per annum in demand of the Utilities and Related Services for the financial years ending 31 December 2027 and 2028, respectively, due to the expected economic growth in the PRC and inflation trends in China.

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Taking into account the above, the Directors consider that the Proposed Utilities Annual Caps are fair and reasonable.

Reasons for and benefits of entering into the Utilities and Related Services Transactions

It is an industry norm for on-site pipeline industrial gas suppliers to operate their industrial gas production facilities on or in close proximity of production site of their on-site customers and for such on-site customers to provide electricity, water or road access and other utilities and common facilities for their on-site pipeline industrial gas suppliers for the operation of the industrial gas production facilities to secure reliable, stable and continuous pipeline industrial gas production and supply.

The main reason for the Company to engage its pipeline industrial gas customers as utility suppliers is that the Company can share the utility distribution network already established by them thereby saving the construction costs required to separately build its own utility distribution network. Given that most of the Group's industrial gas production facilities were injected by or acquired from the HBIS Group with infrastructure of the utilities initially set up thereon by the local utilities authorities or by the HBIS Group when the Company was established, the Company has been procuring the utilities required for the production of industrial gas through the existing connecting utility facilities, such as wires and pipes, of the relevant members of the HBIS Group. With the Company's utility purchase contracts in place in conjunction with industrial gas supply contracts, the Company is able to maintain its profitability.

Given (i) the prices involved in the relevant transactions under the Master Utilities and Related Services Agreement shall be agreed and confirmed by both parties thereof, and shall be negotiated and determined based on major costs or the then prevailing market price charged by the Independent Third Party(ies) (where applicable) as set out in the paragraph headed "*Master Utilities and Related Services Agreement*" above; and (ii) the Group has implemented certain internal control measures to ensure the continuing connected transactions under such framework agreement are on normal commercial terms or no less favourable to the Group than those available from Independent Third Parties to the Group for the same or similar type of services as set out in the paragraph headed "*Internal Control Measures*" below.

Based on the above, among other things, the Board (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser) considers that the Master Utilities and Related Services Agreement has been conducted on normal commercial terms in the ordinary and usual course of business of the Group, and the terms of the Master Utilities and Related Services Agreement and the Proposed Utilities Caps are fair and reasonable and the renewal of such master agreement is in the interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

INTERNAL CONTROL MEASURES

To ensure that the continuing connected transactions of the Group are on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures to monitor the Group's continuing connected transactions on an on-going basis:

- (i) the relevant personnel of the sales department and finance department will monitor the transactions monthly to ensure that the actual transaction amount does not exceed the annual caps of the Group's continuing connected transactions and report to the management team of the Group;
- (ii) the implementation of operational agreements shall be subject to the appropriate approval of the relevant personnel of the sales department, finance department and management of the Group to ensure that the contracts are in line with the principal terms of the master agreements in respect of the continuing connected transactions;
- (iii) the relevant personnel of the sales department of the Group will regularly monitor the fees charged for the continuing connected transactions to ensure that they are fair and reasonable and in accordance with the relevant pricing guidelines;
- (iv) the auditors of the Company shall conduct annual reviews on the continuing connected transactions and confirm to the Board that nothing has come to its attention that causes it to believe that such transactions (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies provided in the transactions; (c) were not carried out, in all material respects, in accordance with the relevant agreements governing such transactions; and (d) have exceeded the applicable respective annual caps; and
- (v) the independent non-executive Directors shall review the continuing connected transactions on an annual basis and make annual confirmation in the annual report of the Company as to whether the continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better terms and on terms that are fair and reasonable; (c) in accordance with the terms of the relevant agreements; and (d) are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in production and supply of industrial gas (pipeline and liquefied) and liquefied natural gas, and the provision of related gas transmission service. The Group is the exclusive pipeline industrial gas supplier for a few members of the HBIS Group.

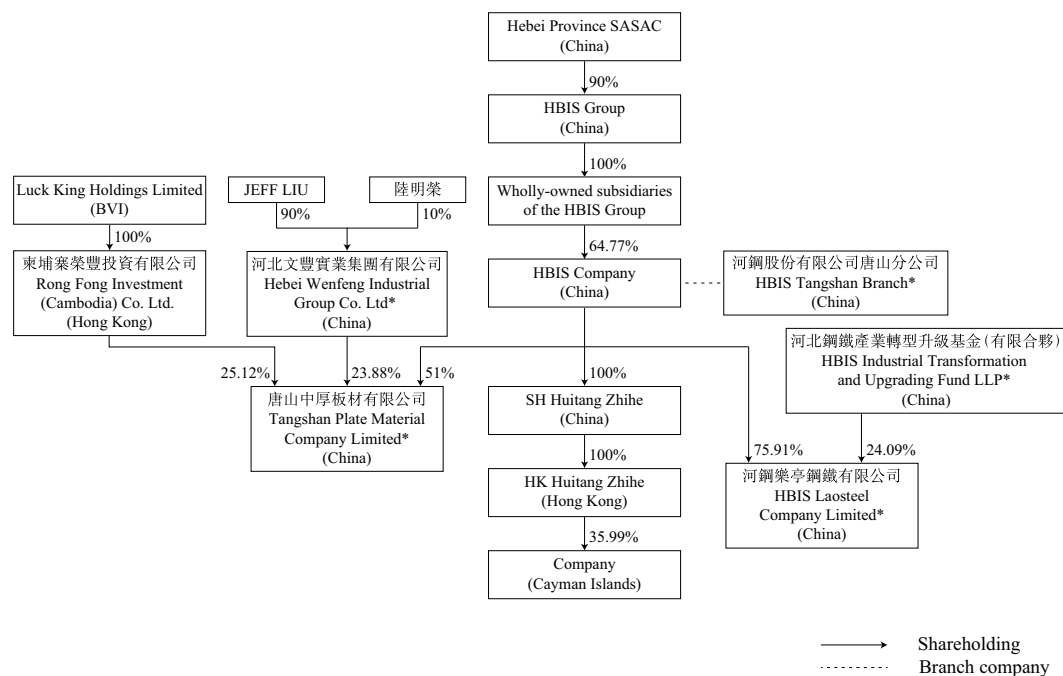
LETTER FROM THE BOARD

The HBIS Group and Tangshan High-strength

HBIS is a joint stock limited company established under the laws of the PRC with limited liability. As at the Latest Practicable Date, HBIS is one of the Controlling Shareholders of the Company, holding approximately 35.99% of the issued share capital of the Company through its subsidiaries, and it is in turn wholly-owned by the Hebei Province SASAC.

The HBIS Group, comprising HBIS and its subsidiaries, is a state-owned iron and steel group in Hebei, the PRC. Companies under the HBIS Group primarily produce and sell iron and steel products which are used in various industries such as automobiles, petroleum, railways, bridges, construction, power, transportation, machinery, shipbuilding, light industry, home appliances, pipelines, warehousing, electrical and mechanical, canned products, welding, environmental protection, steel structure, chemical industry, water conservancy, and other applications.

SHAREHOLDING STRUCTURE OF THE TRANSACTION PARTIES RELATING TO THE MAJOR OPERATIONAL AGREEMENTS



To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save for HBIS and the members of the HBIS Group, the shareholders of the counterparties of the major operational agreements and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

* for identification purpose only

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, HBIS is one of the Controlling Shareholders of the Company, holding approximately 35.99% of the issued share capital of the Company through its subsidiaries. Therefore, HBIS and the members of the HBIS Group are connected persons of the Company and transactions between the Company and the members of the HBIS Group will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps, as one or more applicable percentage ratios exceed 5%, the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and their respective annual caps (i.e. the Proposed Gas Product Annual Caps and the Proposed Utilities Annual Caps) are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, none of the Directors has or is deemed to have a material interest in each of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and is required to abstain from voting on the relevant Board resolution(s).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 24 December 2025 to Wednesday, 31 December 2025 (both dates inclusive) for determining the identity of the Shareholders who are entitled to attend and vote at the EGM. No transfer of Shares will be registered during this period. Shareholders whose names appear on the register of members of the Company on Wednesday, 24 December 2025 shall be entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 23 December 2025.

THE EGM

The Company will hold an EGM for the Independent Shareholders to consider and, if thought fit, approve the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps.

The notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy to the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish and in such event, the proxy form shall be deemed to be revoked.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66(1) of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administration matter to be voted or by a show of hands.

Therefore, the ordinary resolution put to vote at the EGM shall be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

HBIS is one of the Controlling Shareholders of the Company, holding 431,904,000 Shares which representing approximately 35.99% of the issued share capital of the Company through its subsidiaries. HBIS and its associates will abstain from voting on the resolution approving the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the above, no other Shareholder has a material interest in the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder. Therefore no other Shareholder is required to abstain from voting at the EGM for the ordinary resolution.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps; and (ii) the letter from the Independent Financial Adviser, set out on pages IFA-1 to IFA-27 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that (i) the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement are conducted on normal commercial terms and were entered into in the ordinary and usual course of business of the Group; (ii) the terms of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps are fair and reasonable so far as the Shareholders are concerned; and (iii) the transactions contemplated under the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps.

The Directors (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser) are of the view that (i) the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement are conducted on normal commercial terms and were entered into in the ordinary and usual course of business of the Group; (ii) the terms of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps are fair and reasonable so far as the Shareholders are concerned; and (iii) the transactions contemplated under the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement are in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser) therefore recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
**CHINA GAS INDUSTRY
INVESTMENT HOLDINGS CO. LTD.**
Song Changjiang
Chairman and executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.

(Incorporated in the Cayman Islands with members' limited liability)

(Stock code: 1940)

12 December 2025

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 12 December 2025 (the “**Circular**”) to the Shareholders, of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to consider and advise the Independent Shareholders on whether, in our opinion, the terms of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to (i) the letter from the Independent Financial Adviser containing details of the advice from the Independent Financial Adviser, together with the principal factors and reasons it has taken into consideration, as set out on pages IFA-1 to IFA-27 of the Circular; and (ii) the letter from the Board as set out on pages 5 to 22 of the Circular.

Having taken into account the opinion of the Independent Financial Adviser as set out in its letter, we consider that the (i) the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement are conducted on normal commercial terms and were entered into in the ordinary and usual course of business of the Group; (ii) the terms of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps are fair and reasonable so far as the Shareholders are concerned; and (iii) the transactions contemplated under the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the EGM to approve the renewals of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps.

Yours faithfully,
For and on behalf of
the Independent Board Committee

Siu Chi Hung

Xiao Huan Wei

Li Chun Elsy

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Nuada Limited dated 12 December 2025 prepared for the purpose of inclusion in this circular.

Nuada Limited

Unit 7, 10/F
Hing Yip Commercial Centre
272-284 Des Voeux Road Central
Sheung Wan, Hong Kong
香港上環德輔道中272-284號
興業商業中心10樓7室

12 December 2025

*To the Independent Board Committee
and the Independent Shareholders of
China Gas Industry Investment Holdings Co. Ltd.*

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder, and the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps, details of which are set out in the section headed “Letter from the Board” (the “**Board Letter**”) in the Company’s circular dated 12 December 2025 to the Shareholders, of which this letter forms part. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee. Terms used in this letter shall have the same meanings as defined in this circular unless the context requires otherwise.

Reference is made to the Announcement issued by the Company dated 20 November 2025 in relation to, among other things, the renewal of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement (collectively, the “**CCT Agreements**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

References are also made to (i) the section headed “Continuing Connected Transaction” in the prospectus of the Company dated 16 December 2020 in relation to, among other things, the CCT Agreements; (ii) the announcement issued by the Company dated 29 June 2022 in relation to, among other thing, the supplying pipeline oxygen to Tangshan Plate Material Company Limited* (唐山中厚板材有限公司); and (iii) the circular issued by the Company dated 12 December 2022 in relation to the renewal of the Master Gas Products and Related Services Agreement and the Master Utilities and Related Services Agreement.

On 17 June 2020, the Company entered into the CCT Agreements with HBIS to regulate certain continuing connected transactions with the HBIS Group, being (i) the Master Gas Products and Related Services Agreement; and (ii) the Master Utilities and Related Services Agreement. The initial term of each CCT Agreement expired on 31 December 2022 and shall thereafter be automatically renewed for a successive period of three years thereafter subject to compliance with the Listing Rules.

At the extraordinary general meeting of the Company held on 29 December 2022, the independent shareholders of the Company have approved the renewal of the relevant continuing connected transactions and the annual caps for the three years from 1 January 2023 to 31 December 2025.

On 20 November 2025, the Company and HBIS agreed to renew the terms of each CCT Agreement upon the expiry of its renewal term on 31 December 2025 for a further term of three years commencing on 1 January 2026 to 31 December 2028, subject to compliance with the Listing Rules. There has been no change in the terms of the CCT Agreements since they were initially entered into on 17 June 2020.

As at the Latest Practicable Date, HBIS is one of the Controlling Shareholders of the Company, holding approximately 35.99% of the issued share capital of the Company through its subsidiaries. Therefore, HBIS and the members of the HBIS Group are connected persons of the Company and transactions between the Company and the members of the HBIS Group will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Proposed Gas Products Annual Caps and the Proposed Utilities Annual Caps (the “**CCT Annual Caps**”), as one or more applicable percentage ratios exceed 5%, the renewal of the CCT Agreements and the transactions contemplated thereunder, and their respective annual caps are subject to the reporting, announcement, Independent Shareholders’ approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Siu Chi Hung, Mr. Xiao Huan Wei and Ms. Li Chun Elsy, has been established to advise the Independent Shareholders on the renewal of the CCT Agreements and the transactions contemplated thereunder, together with the renewal thereof and the CCT Annual Caps. We, Nuada Limited, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the terms of the CCT Agreements and the transactions contemplated thereunder, together with the renewal thereof and the CCT Annual Caps, there were no other engagements between the Group and Nuada Limited. Apart from normal professional fees for our services to the Company in connection this appointment, no other arrangement exists whereby we have received/will receive any fees and/or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we are independent from, and are not associated with the Company or its substantial Shareholder(s) or connected person(s) as defined under the Listing Rules, and are considered eligible to give independent advice on the terms of the CCT Agreement and the transactions contemplated thereunder, together with the renewal thereof and the CCT Annual Caps.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in this circular and the information and representations provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have no reason to believe that any information or representation relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in this circular, which have been provided by the Company, the Directors and the Management and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true up to the date of the EGM and should there be any material changes after the despatch of this circular, the Independent Shareholders would be notified as soon as possible.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in this circular and have confirmed in this circular, having made all reasonable inquiries, that to the best of their knowledge, opinion expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

Our review and analysis were based upon, among other things, the documents and information published or provided by the Company including (i) the CCT Agreements; (ii) the announcement in relation to the CCT Agreements; (iii) this circular; (iv) historical transactions under the CCT Agreements and relevant invoices; and (v) the annual report of the Company for the year ended 31 December 2024 and the interim report of the Company for the six months ended 30 June 2025, as well as certain published information from the public domain including statistics released by National Bureau of Statistics.

We consider that we have reviewed sufficient information, including relevant information and documents provided by the Company and the Directors and the information published by the Company, to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in this circular and to provide a reasonable basis for our opinions and advice. We have not, however, carried out any independent verification of the information provided by the Company and the Directors, nor have we conducted an independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our advice in respect of the CCT Agreements and the CCT Annual Caps, we have taken into consideration the following principal factors and reasons:

1. Information on the Group

(a) Principal business of the Group

The Group is principally engaged in production and supply of industrial gas (pipeline and liquefied) and liquefied natural gas, and the provision of related gas transmission service. The Group is the exclusive pipeline industrial gas supplier for a few members of the HBIS Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) Financial information of the Group

The table below summarises the financial results of the Group for the two financial years ended 31 December 2023 (“FY2023”) and 31 December 2024 (“FY2024”) respectively as extracted from the annual report for FY2024 (the “Annual Report”), and for the two six months periods ended 30 June 2024 (“FP2024”) and 30 June 2025 (“FP2025”) as extracted from the interim report for FP2025 (the “Interim Report”).

	For the six months ended		For the year ended	
	30 June	30 June	31 December	31 December
	2025	2024	2024	2023
	(unaudited)	(unaudited)	(audited)	(audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	701,859	640,754	1,313,612	1,491,154
Gross profit	168,443	165,162	315,247	332,103
Administrative expenses	(17,979)	(23,459)	(47,280)	(54,391)
Credit loss allowance for trade receivables	(12,111)	(1,876)	(3,078)	(15,364)
Research and development expenses	(36,776)	(29,775)	(66,252)	(73,603)
Finance costs, net	(8,536)	(9,361)	(18,477)	(21,715)
Profit for the year/period attributable to owners of the Company	74,603	51,791	130,047	128,076

Financial performance for FY2024

The revenue of the Group for FY2024 amounted to approximately RMB1,313.6 million, which represents a decrease of approximately 11.9% as compared to approximately RMB1,491.2 million for FY2023. With reference to the Annual Report and according to the Management, such decrease was mainly due to combined effects of (i) the decrease of revenue generated from the supply of pipeline industrial gas from approximately RMB998.6 million for FY2023 to approximately RMB961.5 million for FY2024 mainly due to the fact that Tangshan High-Strength gas plant had ceased production and switched to providing technical support and management services, resulting in a decrease in pipeline gas supply; (ii) the revenue generated from the supply of liquefied industrial gas decreased from approximately RMB165.70 million for FY2023 to approximately RMB113.2 million for FY2024 mainly due to the decrease in the price of liquid oxygen products; (iii) the revenue generated from the supply of liquefied natural gas (“LNG”) and gas transmission services decreased from approximately RMB305.4 million for FY2023 to approximately RMB213.2 million for FY2024 mainly due to the decrease in demand from specific customers; and (iv) the revenue generated from technical support and management services increased from approximately RMB2.9 million for FY2023 to approximately RMB14.8 million for FY2024, mainly attributable to the fact that the Company only commenced provision of such services in November 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Although the decrease of revenue as mentioned above and the gross profit decreased from approximately RMB332.1 million for FY2023 to RMB315.2 million for FY2024, the gross profit margin of the Group increased slightly from approximately 22.3% for FY2023 to approximately 24.0% for FY2024. The Group recorded a profit for the year attributable to the owners of the Company of approximately RMB130.0 million for FY2024, slightly increased from that of approximately RMB128.1 million for FY2023 despite the aforesaid decrease in gross profit. As discussed with the Management and with reference to the Annual Report, it was mainly due to (i) the decrease of administrative expenses from approximately RMB54.4 million for FY2023 to approximately RMB47.3 million for FY2024; (ii) the decrease in credit loss allowance for trade receivables from approximately RMB15.4 million for FY2023 to approximately RMB3.1 million for FY2024; and (iii) the research and development expenses decreased from approximately RMB73.6 million for FY2023 to approximately RMB66.3 million for FY2024.

We also note that the revenue generated from the transactions under the Master Gas Products and Related Services Agreement amounted to approximately RMB1,094.9 million for FY2023 and RMB1,058.7 million for FY2024, representing approximately 73.4% and 80.6% of the total revenue of the Group, respectively for FY2023 and FY2024. Accordingly, the revenue generated from the transactions under the Master Gas Products and Related Services Agreement represented a substantial portion of revenue of the Group for FY2023 and FY2024.

Financial performance for FP2025

The revenue of the Group for FP2025 amounted to approximately RMB701.9 million, which represents an increase of approximately 9.5% as compared with that of approximately RMB640.8 million for FP2024. According to the Interim Report and the Management, such increase was mainly attributable to (i) the revenue derived from supply of pipeline industrial gas amounted to approximately RMB512.6 million for FP2025, representing an increase of approximately 10.9% as compared to approximately RMB462.3 million for FP2024. Such increase was mainly attributable to the addition of two third-party pipeline gas users, which has boosted sales of pipeline gas; (ii) the revenue derived from supply of LNG and gas transmission service for FP2025 amounted to approximately RMB112.9 million, representing an increase of approximately 34.8% as compared to approximately RMB83.7 million for FP2024, which was mainly attributable to the resumption of normal production of LNG, which has increased LNG supply. The gross profit recorded approximately RMB168.4 million for FP2025, representing a slight increase of approximately 1.9% as compared with approximately RMB165.2 million for FP2024. The gross profit margin decreased slightly from approximately 25.8% for FP2024 to approximately 24.0% for FP2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded a profit for the period attributable to owners of the Company of approximately RMB74.6 million for FP2025 as compared with that of approximately RMB51.8 million for FP2024. As discussed with the Management, such increase was primarily due to the combined effects of (i) the increase of revenue as mentioned above; (ii) the increase in credit loss allowance for trade receivables from approximately RMB1.9 million for FP2024 to approximately RMB12.1 million for FP2025; and (iii) the absence of impairment losses of property, plant and equipment (approximately RMB37.9 million recognised for FP2024).

Financial position as at 31 December 2024 and 30 June 2025

	As at 30 June 2025	As at 31 December 2024
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(Unaudited)	(Audited)
Current assets	864,457	839,314
– Trade receivables	580,407	532,766
– Cash and cash equivalents	193,841	183,885
Non-current assets	1,620,102	1,603,834
Current liabilities	605,933	546,679
– Borrowings	295,579	260,204
Net current assets	258,525	292,636
Total assets	2,484,559	2,443,149
Non-current liabilities	159,437	252,566
Total liabilities	765,370	799,245
Net assets	1,719,190	1,643,904

As stated in the Interim Report, the Company recorded current assets of approximately RMB864.5 million as at 30 June 2025 as compared with that of approximately RMB839.3 million as at 31 December 2024, of which (i) the trade receivable increased from approximately RMB532.8 million as at 31 December 2024 to approximately RMB580.4 million as at 30 June 2025; and (ii) the cash and cash equivalents increased from approximately RMB183.9 million as at 31 December 2024 to approximately RMB193.8 million as at 30 June 2025. The current liabilities increased from approximately RMB546.7 million as at 31 December 2024 to approximately RMB605.9 million as at 30 June 2025 mainly due to the borrowings increased from approximately RMB260.2 million as at 31 December 2024 to approximately RMB295.6 million as at 30 June 2025. Based on the above, the net current assets decreased from approximately RMB292.6 million as at 31 December 2024 to approximately RMB258.5 million as at 30 June 2025. The net assets of the Group remained relatively stable and recorded approximately RMB1,719.2 million as at 30 June 2025, as compared to approximately RMB1,643.9 million as at 31 December 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) *Industry outlook*

According to the Management, (i) for the period from January 2025 to October 2025, over 90% of the Group's revenue derived from the supply of pipeline industrial gas was generated from sales to members of the HBIS Group; and (ii) the HBIS Group is an iron and steel producer in the PRC and the HBIS Group consumes industrial gas products procured from the Group for production of steel and iron. Given that the transactions contemplated under CCT Agreements are related to, among other, the supply of gas products to HBIS Group, we have studied the statistics regarding the amount of accumulated output of steel for the year ended 31 December 2020 to 2024 published by the National Bureau of Statistics (國家統計局), details of which are extracted below:

	For the year ended 31 December				
	2020	2021	2022	2023	2024
Accumulated output of steel (million tons)	1,324.9	1,336.7	1,340.3	1,383.8	1,399.7

Source: National Bureau of Statistics (國家統計局)

We note that over the last five years, the output of steel has increased steadily, from approximately 1,324.9 million tons for the year ended 31 December 2020 to approximately 1,399.7 million for the year ended 31 December 2024, representing a cumulative annual growth rate of approximately 1.4%. Given the continuous growth in the recent years, we consider that the steel market would remain positive.

2. **Information on the counterparties to the CCT Agreements**

As disclosed in the Board Letter, HBIS is a joint stock limited company established under the laws of the PRC with limited liability. As at the Latest Practicable Date, HBIS is one of the Controlling Shareholders of the Company, holding approximately 35.99% of the issued share capital of the Company through its subsidiaries, and it is in turn wholly-owned by the Hebei Province SASAC.

As disclosed in the Board Letter, the HBIS Group, comprising HBIS and its subsidiaries, is a state-owned iron and steel group in Hebei, the PRC. Companies under the HBIS Group primarily produce and sell iron and steel products which are used in various industries such as automobiles, petroleum, railways, bridges, construction, power, transportation, machinery, shipbuilding, light industry, home appliances, pipelines, warehousing, electrical and mechanical, canned products, welding, environmental protection, steel structure, chemical industry, water conservancy, and other applications.

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3. The Master Gas Products and Related Services Agreement

(a) *Principal terms of the Master Gas Products and Related Services Agreement*

Principal terms of the Master Gas Products and Related Services Agreement are as follows:

Term: Commencing from the Listing Date and ending on 31 December 2022, and further renewed for a term of three years ending on 31 December 2025. It will be automatically renewed for a successive period of three years thereafter subject to compliance with the Listing Rules.

Transactions: At any time during the term, the Group may from time to time enter into operational agreement(s) with members of the HBIS Group in relation to any Gas Products and Related Services Transaction(s) upon, and subject to, the terms and conditions of the Master Gas Products and Related Services Agreement (the “**Operational Gas Products and Related Services Agreements**”). Each of the Company and HBIS agreed to procure their respective members to comply with the terms of the Master Gas Products and Related Services Agreement.

Pricing guidelines: The unit price for each type of industrial gas products and the fees for related services are set out in the relevant Operational Gas Products and Related Services Agreement subject to adjustment by parties entering into a supplemental agreement.

The unit price for each type of the pipeline industrial gas products is determined on cost plus basis generally with a mark-up of not less than 10%, after arm’s length negotiations between the relevant parties, taking into account major costs, including electricity expenses (with reference to the government-prescribed electricity price which is publicly available, such as the electricity price list for commercial and industrial users of the State Grid Jibei Electric Power Company Limited (國網冀北電力有限公司) and such price list is updated monthly on its official website (<http://www.jibei.sgcc.com.cn/html/main/col40274/column402741.html>)). Before approving the relevant operational agreements, the Group shall compare the electricity price from the HBIS Group with the government prescribed price to ensure that the price of the former is not less favourable than that of the latter), depreciation of equipment and the administrative and finance cost.

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The unit price of each type of liquefied industrial gas and fees for storage tanks rental services will be determined with reference to the relevant market price charged by Independent Third Party providers, which is updated daily on weekday on the website of Oilchem (隆眾資訊) (<https://www.oilchem.net>) for the same or similar type of liquefied industrial gas and rental services and actual cost which includes the transportation cost, where applicable.

The fees for gas transmission are determined on cost plus basis generally with a mark-up of not less than 6%, and based on actual costs and expenses incurred in providing such service.

Monthly settlement is made on the basis of the actual supply volume subject to the minimum purchase volume by each of the relevant member of the HBIS Group under the relevant Operational Gas Products and Related Services Agreement where applicable.

Payment term: In accordance with the terms of the Operational Gas Products and Related Services Agreements which will be payable within seven days or thirty days from the HBIS Group's receipt of the statement of account and the invoice as confirmed by the Group and the HBIS Group.

As the Group's business is electricity intensive, where relevant, the existing Operational Gas Products and Related Services Agreements provide for a price adjustment mechanism for the pipeline gas products in proportion to the fluctuation in electricity price and supplemental agreements between the Group and relevant member of the HBIS Group have been or will be made to reflect the price adjustment under such mechanism.

For details of the existing Operational Gas Products and Related Services Agreements please refer to the section headed "Principal terms of the Master Gas Products and Related Services Agreement" in the Board Letter.

Despite that the Master Gas Products and Related Services Agreement has a renewal term of three years, the majority of the major existing Operational Gas Products and Related Services Agreements were entered into on a long-term basis.

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The major existing Operational Gas Products and Related Services Agreements have been entered into on a long-term basis before listing. As disclosed in the section headed “Continuing Connected Transaction” in the Prospectus, the then Directors believed that the long-term industrial gas supply arrangement could protect the interests of the Company and the Shareholders by minimising the Company’s investment and capital risk in incurring a large amount of capital expenditure in the construction of production facilities before generating any revenue. They were of the view that the long-term industrial gas supply arrangement was necessary for the efficient and continuing operation of the Company. The Directors hold the same view as the then Directors set out above. Furthermore, the then industry consultant of the Company had confirmed that the long-term industrial gas supply arrangement was an established feature of the Company’s business model for its on-site industrial gas supply operation and was consistent with the industry norm, and the then sponsor of the Company was of the view that it was normal business practice for contracts of this type to be of such duration.

As disclosed in the Prospectus, the then Directors confirmed each of the Operational Gas Products and Related Services Agreements was and would be subject to the terms and conditions of the Master Gas Products and Related Services Agreement. Upon expiration of such master agreement and its annual caps, and in the event that the approval from the independent Shareholders for its renewal or new annual caps is not granted, the Company will re-comply with the relevant Listing Rules or apply for waivers in respect of each of the Operational Gas Products and Related Services Agreements, where applicable. The Directors also confirm the aforesaid arrangement.

Having considered that (i) the major existing Operational Gas Products and Related Services Agreements have been entered into on a long-term basis before listing; (ii) the then industry consultant of the Company had confirmed that the long-term industrial gas supply arrangement was consistent with the industry norm; and (iii) the steady source of income generated from the sales of industrial gases to the HBIS Group by the Company is essential to the business operation of the Group, we are of the view that it was normal business practice for contracts of this type to be of such duration.

(b) Reasons for entering into the Master Gas Products and Related Services Agreement

As disclosed in the Board Letter, the Group and the HBIS Group are long-standing partners. Ever since the first operating subsidiary of the Group which was initially set up in 2007, the Group has been supplying industrial gas to the HBIS Group in close proximity of the Tangshan area adjacent to the iron and steel production sites of the relevant members of the HBIS Group as their exclusive industrial gas supplier within each of such iron and steel production sites.

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Given the HBIS Group's dominant position in PRC's iron and steel industry and in particular in Hebei Province where the iron and steel industry is and is expected to continue to be dominated by only a few players, as well as its needs for industrial gas for iron and steel production, the Directors believe that the sales of industrial gas to the HBIS Group will provide the Company a steady source of income and it is in the interests of the Company and the Shareholders as a whole to continue to carry out the Gas Products and Related Services Transactions.

Having considered (i) the Group being long-term supplier of industrial gases to the HBIS Group since 2007, and more particular since the Listing Date under the Master Gas Products and Related Services Agreement; (ii) the revenue generated under the Master Gas Products and Related Services Agreement representing a substantial portion (i.e. approximately 73.4% and 80.6% for FY2023 and FY2024 respectively) of the revenue of the Group as detailed above; (iii) the steady source of income generated from the sales of industrial gases to the HBIS Group by the Company which is essential to the business operation of the Group; and (iv) the terms of the Master Gas Products and Related Services Agreement (including the pricing basis) and the Proposed Gas Products Annual Caps as analysed in the following paragraphs, we are of the view and concur with the view of the Directors that the Master Gas Products and Related Services Agreement is conducted on normal commercial terms in the ordinary and usual course of business of the Group, and the terms of the Master Gas Products and Related Services Agreement are fair and reasonable so far as the Shareholders are concerned and renewal of which is in the interest of the Company and the Shareholders as a whole.

(c) Review on the pricing basis of the Master Gas Products and Related Services Agreement

(i) Pricing basis

We have discussed with the Management regarding the pricing basis of the products provided by the Group to members of HBIS Group. Regarding pipeline industrial gas products (which include oxygen, nitrogen and hydrogen), the Group supplies most of its output to members of the HBIS Group. Although the Group has made a small number of sales to two Independent Third Parties since the beginning of FY2025 and the prices are slightly higher than the unit price as compared to the unit price offered to HBIS Group, these transactions are not directly comparable because (i) the Company has only one Independent Third Party customer (other than the HBIS Group) for its oxygen products and another Independent Third Party customer (other than the HBIS Group) for its nitrogen products; (ii) such sales in aggregate

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represented less than 8% of both the total volume of and revenue derived from pipeline industrial gas products; (iii) when these two Independent Third Parties asked the Group for pipeline industrial gas products, the Group would first check whether it had surplus capacity after accounting for pipeline gas selling to HBIS Group and only then would the Group sell such products to these two Independent Third Parties; and (iv) the pipeline industrial gas sold to the Independent Third Parties were produced simultaneously (using surplus capacity) as those sold to members of the HBIS Group with the use of utilities provided by HBIS Group and the Group did not separate the costs of such utilities. Accordingly, these limited third-party transactions do not provide a meaningful benchmark for comparison with the pricing under the CCT Agreements.

To determine whether the terms of supplying pipeline industrial gas products to members of HBIS Group are on normal commercial terms of better, i.e. no less favourable to the Group than terms available to or from Independent Third Parties, we have attempted to compare the (i) market prices of similar pipeline industrial gas products through research on the internet; and (ii) similar transactions for supply of industrial gas products conducted by other companies listed in Hong Kong. Nevertheless, we are not aware of any publicly available information regarding market prices, or any companies listed in Hong Kong which are engaged in similar business or had conducted similar transactions. We have also discussed with the Management but they were not aware of any comparable public information either.

Given that the unit price for each type of the pipeline industrial gas products under the Master Gas Products and Related Services Agreement is determined on cost plus basis (where the percentage on top of the costs essentially represents gross profit margin), we resort to analyse the segment profit margin of companies listed in Hong Kong which are mainly engaged in the business of supply of gas (including fuel gas) through pipeline in the PRC, with the criteria that the segment revenue from such business contributes not less than 50% of the total revenue of the listed companies (the “**Comparable Company(ies)**”). While we understand that the products sold are not identical and that segment profit margin (which may takes into account costs other than costs of sales) is not identical to segment gross profit margin, having considered (i) there are no comparable companies which supply products identical to those of the Company; (ii) the business models of the Comparable Companies are nevertheless similar to that of the Company which supplies industrial gas through pipeline; and

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(iii) while segment gross profit margin of Comparable Companies are not readily available for direct comparison, a segment profit margin can still serve as a close reference for gross profit margin, we are of the view that the Comparable Companies can serve as a reference for analysing the fairness and reasonableness of the cost plus basis adopted by the Group for pipeline industrial gas products. Based on the above, we have obtained an exhaustive list of five Comparable Companies as detailed below:

No.	Company name	Stock code	Principal Business	Segment revenue (million) <i>Note 1</i>	Segment profit (million) <i>Note 1</i>	Segment profit margin <i>Note 2</i>
1.	China Gas Holdings Limited	384	Gas business through six segments, including sales of piped gas	HK\$49,049	HK\$3,306	6.7%
2.	Beijing Enterprises Holdings Limited	392	Gas business through 5 segments, including distribution and sale of piped natural gas	RMB62,004	RMB4,850	7.8%
3.	Towngas Smart Energy Company Limited	1083	Sales and distribution of piped gas	HK\$17,056	HK\$984	5.8%
4.	Shanghai Dazhong Public Utilities (Group) Co., Ltd.	1635	Piped gas supply and wastewater treatment	RMB5,751	RMB186	3.2%
5.	ENN Energy Holdings Limited	2688	Sales and distribution of piped gas, liquefied natural gas and other multi-energy products	RMB85,892	RMB6,319	7.4%
					Minimum	3.2%
					Maximum	7.8%
					Mean	6.2%
					Median	6.7%

Source: The official website of the Stock Exchange (www.hkex.com.hk)

Notes:

- (1) The segment revenue and segment profit of the Comparable Companies are based on the figures as disclosed their latest annual reports, where the segment is related to supply of gas through pipeline in the PRC.
- (2) The segment profit margin is calculated as (segment profit ÷ segment revenue) × 100%.

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We note that the relevant segment profit margins of the Comparable Companies ranged from approximately 3.2% to 7.8%, with mean and median of approximately 6.2% and 6.7% respectively. As advised by the Management, we noted that the expected gross profit margins (which represent the percentages on top of the costs for the cost plus basis adopted by the Group) of pipeline industrial gas products are set at not less than 10%, which are above the mean and median segment profit margin of the Comparable Companies. Accordingly, we are of the view and concur with the view of the Management that the pricing basis for pipeline industrial gas products which is on a cost plus basis are fair and reasonable and no less favourable to the Group than terms available to Independent Third Parties.

Regarding liquefied industrial gases, we understand that the Group has sold the same products to Independent Third Parties. We understand that the expected unit prices and fees to be charged to members of the HBIS Group shall be equal to or above the unit prices and fees charged to Independent Third Parties by the Group. Accordingly, we are of the view and concur with the view of the Management that the pricing basis for liquefied industrial gases and related storage tanks rental services are fair and reasonable and no less favourable to the Group than terms available to Independent Third Parties.

In addition, we understand that the supply of industrial gas products is electricity intensive. As such, the existing Operational Gas Products and Related Services Agreements provide for a price adjustment mechanism for the pipeline gas products in proportion to the fluctuation in electricity price and supplemental agreements between the Group and relevant member of the HBIS Group have been or will be made to reflect the price adjustment under such mechanism. As discussed with the Management, during the terms of the Master Gas Products and Related Services Agreement (i.e. from Listing Date to up to the Latest Practicable Date), there have been no material change in the electricity price and therefore no supplemental agreement has been made to adjust the prices of products supplied by the Group according to the aforesaid mechanism.

(ii) Historical transaction

To ascertain whether the Group has adhered to the aforesaid pricing guideline under the historical transactions between the Group and members of the HBIS Group, we have requested the Company to provide (i) the monthly summary of the Gas Products and Related Services Transactions for the period from 1 January 2023 to 31 October 2025 (given that monthly settlement is made on the basis of the actual supply volume) (the “**Review Period**”), which details the name, unit price, transaction volume and transaction amount of industrial gas products for each month, as well as reference gross profit margin and prices for price determination; and (ii) on a random sampling basis, (a) not less than 10 invoices per year during the Review Period from the Group to HBIS Group related to the above transactions; and (b) not less than 10

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invoices per year during the Review Period for liquefied industrial gases, invoices from the Group to Independent Third Parties for prices of similar products. Based on the above information provided and after discussion with the management of the Company, we note that the unit prices of products followed the aforesaid pricing basis, and in particular the actual aggregate gross profit margin ranged from approximately 10% to 22%, which were not less than the expected gross profit margins of 10% according to the aforesaid pricing basis and the mean and median segment profit margin of the Comparable Companies of approximately 6.2% and 6.7% respectively.

(iii) Our view

Based on our review of the pricing basis and the historical transactions carried out under the Master Gas Products and Related Services Agreement, we are of the view and concur with the view of the Management that there are adequate measures in place to ensure that the prices are no less favourable to the Group than those available to Independent Third Parties, and therefore such pricing arrangement is on normal commercial terms and the transactions conducted under the Master Gas Products and Related Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(d) Historical transaction amounts and the Proposed Gas Products Annual Caps

In view of the upcoming renewal of the Master Gas Products and Related Services Agreement, the Company and HBIS have agreed on the Proposed Gas Products Annual Caps, which will apply subject to compliance with the requirements of the Listing Rules. Details of the historical transaction amounts of the Gas Products and Related Services Transactions with the HBIS Group and the Proposed Gas Products Annual Caps as agreed between the Company and HBIS are set out below:

	For financial years ended/ ending 31 December		
	2023	2024	2025
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Original annual caps	1,410.0	1,621.0	1,864.0
Historical transaction amounts	1,094.9	1,058.7	916.2
			(up to
			31 October
			2025)
	2026	2027	2028
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Proposed Gas Products Annual Caps	1,810.0	1,991.0	2,190.0

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(e) Review on the basis of the Proposed Gas Products Annual Caps

As disclosed the Board Letter, in arriving at the Proposed Gas Products Annual Caps, the Directors considered the following major factors:

- (i) the current production capacity of the equipment of the Group;
- (ii) the historical sales amount of the gas products and related services to the HBIS Group for the financial years ended 2023 and 2024 and the ten months ended 31 October 2025;
- (iii) the minimum purchase volume, where applicable, for each type of the pipeline industrial gas under the existing Operational Gas Products and Related Services Agreements;
- (iv) the production plans of the pipeline industrial gas customers of the Company which reflect the anticipated pipeline industrial gas demand of such customers for the year ending 31 December 2026;
- (v) the agreed unit price for each type of the gas products and related services under the existing Operational Gas Products and Related Services Agreements, which is expected to remain stable but subject to possible price adjustment due to the electricity price fluctuation; and
- (vi) the estimated 10% increase per annum in demand of the gas products and related services to the HBIS Group for the financial years ending 31 December 2027 and 2028, respectively, due to the expected economic growth in the PRC and inflation trends in China.

Having taken into consideration that (i) as discussed with the Management, one additional iron and steel production plant of the HBIS Group (which was originally scheduled to commence operation in 2024 but ultimately commenced commercial production in October 2025) is expected to further ramp up its output through 2026. This will lead to a significant increase in the HBIS Group's overall steel production and, consequently, higher demand for pipeline industrial gas. Based on the updated production plans of the HBIS Group (which already reflect the actual commencement of the new plant in October 2025 and the anticipated full-year contribution in 2026), the Management has estimated the required quantities of pipeline industrial gas for the three years ending 31 December 2026, 2027 and 2028. These estimates have been provided to the HBIS Group, which has confirmed that they are reasonable; (ii) we noted that, on a pro rata basis, the historical transaction amounts for the financial year ending 31 December 2025 would be approximately RMB1,099.4 million (based on the transaction amount of HK\$916.2 million for the ten months ended 31 October 2025), which would represent an increase of approximately 3.6% as compared with the historical transaction amounts for FY2024 of

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approximately RMB1,058.7 million; (iii) as detailed in the section headed “(c) Review on the pricing basis of the Master Gas Products and Related Services Agreement” above, we have reviewed the historical transactions carried out under the Master Gas Products and Related Services Agreement and are of the view that the pricing basis is fair and reasonable; (iv) the utilisation rates of the original annual caps for FY2023 and FY2024 were approximately 77.7% and 65.3% respectively; and (v) with reference to the data from the National Bureau of Statistics, the gross domestic products in the PRC increased from approximately RMB117,382 billion in 2021 to approximately RMB134,908 billion in 2024, which represented a compound annual growth rate of approximately 4.74%, we are of the view that (a) to set the Proposed Gas Products Annual Cap for the financial year ending 31 December 2026 lower than the historical annual cap for the financial year ending 31 December 2025; and (b) a increment of 10% increase per annum in demand of the gas products and related services to the HBIS Group for the financial year ending 31 December 2027 and 2028 is justifiable to provide flexibility in case of underestimation, and we concur with the view of the Directors that the Proposed Gas Products Annual Caps were fair and reasonable.

4. The Master Utilities and Related Services Agreement

(a) Principal terms of the Master Utilities and Related Services Agreement

Principal terms of the Master Utilities and Related Services Agreement are as follows:

Term: Commencing from the Listing Date and ending on 31 December 2022, and further renewed for a term of three years ending on 31 December 2025. It will be automatically renewed for a successive period of three years thereafter subject to compliance with the Listing Rules.

Transactions: At any time during the term, the Group may from time to time enter into operational agreement(s) with members of the HBIS Group in relation to any Utilities and Related Services Transaction(s) upon, and subject to, the terms and conditions of the Master Utilities and Related Services Agreement (the “**Operational Utilities and Related Services Agreements**”). Each of the Company and HBIS agreed to procure their respective members to comply with the terms of the Master Utilities and Related Services Agreement.

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Pricing
guidelines:

The pricing of each of the Utilities and Related Services provided under the Master Utilities and Related Services Agreement shall be determined with reference to the following principles in ascending order:

- (i) government-prescribed price: if at any time, the government-prescribed price is applicable to any particular type of the Utilities and Related Services, such type of Utilities and Related Services shall be provided at the applicable government-prescribed price, whether national or local, such as the electricity price prescribed by the Development and Reform Commission of Hebei Province and water price prescribed by the Development and Reform Commission of Tangshan. The government-prescribed price is publicly available, such as at the electric price list for commercial and industrial users of the State Grid Jibei Electric Power Company Limited (國網冀北電力有限公司) and such price list is updated monthly on its official website (<http://www.jibei.sgcc.com.cn/html/main/col40274/column402741.html>);
- (ii) government-guided price: if at any time, the government-guided price is applicable to any particular type of the Utilities and Related Services, such type of Utilities and Related Services shall be provided within the range of such government-guided price, whether national or local;
- (iii) tendering process (where applicable): where the above two price standards are not available for a particular type of the Utilities and Related Services and any of the Utilities and Related Services Transactions is subject to tendering process in accordance with the relevant internal policies and procedures of members of the Group, the price of such type of the Utilities and Related Services shall be determined by tendering process in accordance with the relevant internal policies and procedures of members of the Group; and

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- (iv) market price: where the above price standards are not available for a particular type of the Utilities and Related Services, the price of such type of Utilities and Related Services shall be determined with reference to the market price. In determining the market price, both parties shall take into consideration the following key factors:
 - (a) the prevailing market prices charged by at least two Independent Third Parties for providing the same or similar type of Utilities and Related Services in the region where the type of the Utilities and Related Services is provided by relevant members of the HBIS Group;
 - (b) the prices charged by relevant members of the HBIS Group for providing the same or similar type of Utilities and Related Services to the Independent Third Parties; and
 - (c) the prices charged by relevant members of the HBIS Group for providing the same or similar type of Utilities and Related Services to other members of the HBIS Group.

Payment term: In accordance with the terms of the Operational Utilities and Related Services Agreements which will be payable within seven days or thirty days from the Group's receipt of the statement of account and the invoice as confirmed by the Group and the HBIS Group.

For details of the existing Operational Utilities and Related Services Agreements, please refer to the section headed "Principal terms of the Master Utilities and Related Services Agreement" in the Board Letter.

Despite that the Master Utilities and Related Services Agreement has a renewal term of three years, the majority of the major existing Operational Utilities and Related Services Agreements were entered into on a long-term basis.

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The major existing Operational Utilities and Related Services Agreements have been entered into on a long-term basis before listing and the terms including the renewal arrangements of the major existing Operational Utilities and Related Services Agreements are in line with the terms of the major existing Operational Gas Products and Related Services Agreements with the respective members of the HBIS Group.

As disclosed in the Prospectus, the then Directors confirmed each of the Operational Utilities and Related Services Agreements was and would be subject to the terms and conditions of the Master Utilities and Related Services Agreement. Upon expiration of such master agreement and its annual caps, and in the event that the approval from the independent Shareholders for its renewal or new annual caps is not granted, the Company will re-comply with the relevant Listing Rules or apply for waivers in respect of each of the Operational Utilities and Related Services Agreements, where applicable. The Directors also confirm the aforesaid arrangement.

As further disclosed below, we understand that it is an industry norm for on-site customers to provide electricity, water or road access and other utilities and common facilities for their on-site pipeline industrial gas suppliers. In addition, as disclosed in the section headed “(a) Principal terms of the Master Gas Products and Related Services Agreement” above, the then industry consultant of the Company had confirmed that the long-term industrial gas supply arrangement was an established feature of the Company’s business model for its on-site industrial gas supply operation and was consistent with the industry norm. Accordingly, we are of the view that the Operational Utilities and Related Services Agreements require longer periods to match those of the Operational Gas Products and Related Services Agreements to secure reliable, stable and continuous pipeline industrial gas production and supply, and that it is normal business practice to be of such long term.

(b) Reasons for entering into the Master Utilities and Related Services Agreement

As disclosed in the Board Letter and as discussed with the Management, in order to save transportation cost and additional construction costs, it is an industry norm for on-site pipeline industrial gas suppliers to operate their industrial gas production facilities on or in close proximity of production site of their on-site customers and for such on-site customers to provide electricity, water or road access and other utilities and common facilities for their on-site pipeline industrial gas suppliers for the operation of the industrial gas production facilities to secure reliable, stable and continuous pipeline industrial gas production and supply.

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As stated above, the main reason for the Company to engage its pipeline industrial gas customers as utility suppliers is that the Company can share the utility distribution network already established by them thereby saving the construction costs required to separately build its own utility distribution network. Given that most of the Group's industrial gas production facilities were injected by or acquired from the HBIS Group with infrastructure of the utilities initially set up thereon by the local utilities authorities or by the HBIS Group when the Company was established, the Company has been procuring the utilities required for the production of industrial gas through the existing connecting utility facilities, such as wires and pipes, of the relevant members of the HBIS Group. With the Company's utility purchase contracts in place in conjunction with industrial gas supply contracts, the Company is able to maintain its profitability.

Having considered (i) the Group having procured utilities and related services through the HBIS Group during the course of supplying pipeline industrial gas to the HBIS Group since 2007, and more particular since the Listing Date under the Master Utilities and Related Services Agreement; (ii) with infrastructure of the utilities set up by the local utilities authorities or by HBIS Company on the Group's industrial gas production facilities (which were injected by or acquired from HBIS Company), the Group can share the utility distribution network already established by the HBIS Group and thereby save the construction costs required to separately build its own utility distribution network; and (iii) the terms of the Master Utilities and Related Services Agreement (including the pricing basis) and the Proposed Utilities Annual Caps as analysed in the following paragraphs, we are of the view and concur with the view of the Directors that the Master Utilities and Related Services Agreement is conducted on normal commercial terms and the Master Utilities and Related Services Agreement was entered into in the ordinary and usual course of business of the Group, and the terms of the Master Utilities and Related Services Agreement and the Proposed Utilities Annual Caps are fair and reasonable so far as the Shareholders are concerned and such transactions are in the interest of the Company and the Shareholders as a whole.

(c) Review on the pricing basis of the Master Utilities and Related Services Agreement

(i) Pricing basis

We have discussed with the Management regarding the pricing basis of the Utilities and Related Services procured by the Group from members of HBIS Group. Based on the information provided by the Management, we noted that the utilities procured by the Group mainly consist of electricity and water. As discussed with the Management, we understand that the unit prices for electricity and water charged by members of HBIS Group to the Group represented the government-prescribed prices, at which members of HBIS Group procured such utilities from government-owned enterprises. Accordingly, we are of the view and concur with the view of the

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Management that the pricing basis for Utilities and Related Services procured by the Group are fair and reasonable and no less favourable to the Group than terms available from Independent Third Parties.

(ii) Historical transactions

As discussed with the Management, the Group has continuously carried out transactions with members of the HBIS Group under the Master Utilities and Related Services Agreement since June 2020. To ascertain whether the Group has adhered to the aforesaid pricing guideline under the previous transactions between the Group and members of the HBIS Group, we have requested the Company to provide (i) the monthly summary of the Utilities and Related Services Transactions for the Review Period (given that monthly settlement is made on the basis of the actual volume of utilities procured), which details the name, unit price, transaction volume and transaction amount of utilities for each month; (ii) on a random sampling basis, (a) not less than 10 invoices per year during the Review Period from government-owned enterprises to members of HBIS Group for utilities to ascertain the unit price of utilities; and (b) not less than 10 invoices per year during the Review Period from members of HBIS Group to the Group for the same utilities. Based on the above information provided and after discussion with the Management, we note that the unit prices of utilities followed the aforesaid pricing basis, i.e. the unit prices for electricity and water charged by members of HBIS Group to the Group represented the prices at which members of HBIS Group procured such utilities from government-owned enterprises.

(iii) Our view

Based on our review of the pricing basis and the historical transactions carried out under the Master Utilities and Related Services Agreement, we are of the view and concur with the view of the Management that there are adequate measures in place to ensure that the prices are no less favourable to the Group than those available from Independent Third Parties, and therefore such pricing arrangement is on normal commercial terms and the transactions conducted under the Master Utilities and Related Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(d) *Historical transaction amounts and the Proposed Utilities Annual Caps*

In view of the upcoming renewal of the Master Utilities and Related Services Agreement, the Company and HBIS have agreed on the Proposed Utilities Annual Caps, which will apply subject to compliance with the requirements of the Listing Rules. Details of the historical transaction amounts of the Utilities and Related Services Transactions from the HBIS Group and the Proposed Utilities Annual Caps as agreed between the Company and HBIS are set out below:

	For financial years ended/ ending 31 December		
	2023	2024	2025
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Original annual caps	1,168.0	1,343.0	1,545.0
Historical transaction amounts	952.6	812.4	739.2
			(up to 31 October 2025)
	2023	2024	2025
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Proposed Utilities Annual Caps	1,320.0	1,452.0	1,597.0

(e) *Review on the basis of the Proposed Utilities Annual Caps*

As disclosed the Board Letter, in arriving at the Proposed Utilities Annual Caps, the Directors considered the following major factors:

- (i) the historical transaction amounts for the financial years ended 31 December 2023 and the ten months ended 31 October 2025;
- (ii) the Group's projected demand for the utilities (including electricity, water and steam, COG and etc.), which are mainly procured from the HBIS Group based on the Group's gas production schedule (including the Production Unit) for the financial year ending 31 December 2026;
- (iii) the agreed unit price for each type of the Utilities and Related Services (such as electricity, water, coke oven gas and etc.) under the existing Operational Utilities and Related Services Agreements which is expected to remain stable; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) the estimated 10% increase per annum in demand of the Utilities and Related Services for the financial years ending 2027 and 2028, respectively, due to the expected economic growth in the PRC and inflation trends in China.

Having taken into consideration that (i) the decrease in historical transaction amounts was in line with that in historical amounts under the Master Gas Products and Related Services Agreement, the reasons of which are detailed in the section headed “(b) Financial information of the Group” above in this letter; (ii) as discussed with the Management, the Company projected its demand for the utilities (including electricity, water and steam, COG and etc.) based on the Group’s estimated production schedule of industrial gas, which in turn was based on the production plans of customers as detailed above; (iii) as detailed in the section headed “(c) Review on the pricing basis of the Master Utilities and Related Services Agreement” above, we have reviewed the historical transactions carried out under the Master Utilities and Related Services Agreement and are of the view that the pricing basis is fair and reasonable; and (iv) with reference to the data from the National Bureau of Statistics, the gross domestic products in the PRC increased from approximately RMB117,382 billion in 2021 to approximately RMB134,908 billion in 2024, which represented a compound annual growth rate of approximately 4.74%, we are of the view that (a) to set the Proposed Utilities Annual Cap for the financial year ending 31 December 2026 lower than the historical annual cap for the financial year ending 31 December 2025; and (b) a increment of 10% increase per annum the Utilities and Related Services for the financial years ending 31 December 2027 and 2028 is justifiable to provide flexibility in case of underestimation, and we concur with the view of the Directors that the Proposed Utilities Annual Caps were fair and reasonable.

5. Internal control and risk management measures

We have enquired the Management and understand that the Group has adopted the following measures to monitor the Group’s continuing connected transactions on an on-going basis:

- (i) the relevant personnel of the sales department and finance department will monitor the transactions monthly to ensure that the actual transaction amount does not exceed the annual caps or the Proposed Gas Products Annual Caps and Proposed Utilities Annual Caps and report to the management team of the Group;
- (ii) the implementation of operational agreements shall be subject to the appropriate approval of the relevant personnel of the sales department, finance department and management of the Group to ensure that the contracts are in line with the principal terms of the master agreements in respect of the continuing connected transactions;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iii) the relevant personnel of the sales department of the Group will regularly monitor the fees charged for the continuing connected transactions to ensure that they are fair and reasonable and in accordance with the relevant pricing guidelines;
- (iv) the auditors of the Company shall conduct annual reviews on the continuing connected transactions and confirm to the Board that nothing has come to its attention that causes it to believe that such transactions (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies provided in the transactions; (c) were not carried out, in all material respects, in accordance with the relevant agreements governing such transactions; and (d) have exceeded the applicable respective annual caps; and
- (v) the independent non-executive Directors shall review the continuing connected transactions on an annual basis and make annual confirmation in the annual report of the Company as to whether the continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better terms and on terms that are fair and reasonable; (c) in accordance with the terms of the relevant agreements; and (d) are in the interests of the Company and the Shareholders as a whole.

Regarding item (iii), we have reviewed the historical transactions under the CCT Agreements as detailed in the paragraphs headed “(c) Review on the pricing basis of the Master Gas Products and Related Services Agreement” and “(c) Review on the pricing basis of the Master Utilities and Related Services Agreement” above in this letter, and note that the relevant pricing guidelines have been consistently followed. Regarding items (iv) and (v) above, we have also noted from the previous annual reports from the Company as well as the assurance reports issued by the auditors of the Company as provided by the Management that the independent non-executive Directors and the auditors of the Company have respectively reviewed and reported on the previous continuing connected transactions of the Group under the CCT Agreements, and did not notice any anomaly.

In light of the above, we consider that there are adequate and enforceable internal control measures in place regarding the continuing connected transactions contemplated under the CCT Agreements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the aforementioned principal factors and reasons, we are of the view that (i) the CCT Agreements are conducted on normal commercial terms and were entered into in the ordinary and usual course of business of the Group; (ii) the terms of the CCT Agreements and the CCT Annual Caps are fair and reasonable so far as the Shareholders are concerned; and (iii) the transactions contemplated under the CCT Agreements are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders, to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the renewal of the terms of the CCT Agreements and the transactions contemplated thereunder, and the CCT Annual Caps.

Yours faithfully,
For and on behalf of
Nuada Limited
Kim Chan
Director

Mr. Kim Chan is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 20 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

a. Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or under the Model Code to be notified to the Company and the Stock Exchange.

b. Substantial Shareholders' Interests in Shares and Underlying Shares

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (each not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares interested	Approximate percentage of the Company's issued share capital
Huitang Zhihe (Hong Kong) Co., Limited ("HK Huitang Zhihe") ⁽²⁾	Beneficial owner	431,904,000(L)	35.99%
Shanghai Huitang Zhihe Investment Co., Ltd.* (上海惠唐鄧和投資有限公司) ("SH Huitang Zhihe") ⁽²⁾	Interest in a controlled corporation	431,904,000(L)	35.99%

* for identification purpose only

APPENDIX

GENERAL INFORMATION

Name of Shareholder	Nature of Interest	Number of Shares interested	Approximate percentage of the Company's issued share capital
HBIS Company ⁽²⁾	Interest in a controlled corporation	431,904,000(L)	35.99%
Handan Iron and Steel Group Co., Ltd. ("HBIS Hansteel") ⁽²⁾	Interest in a controlled corporation	431,904,000(L)	35.99%
HBIS ⁽²⁾	Interest in a controlled corporation	431,904,000(L)	35.99%
China Gas Investors Ltd. ("CGI") ⁽³⁾	Beneficial owner	468,096,000(L)	39.01%
Huang He Investment Limited ("Huang He") ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
China Infrastructure Partners, L.P. ("China Infrastructure") ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
CITP GP I Ltd. ("CITP GP") ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
BOCI Investment Limited ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
BOC International Holdings Limited ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
Bank of China Limited ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
Springleaf Investments Pte. Ltd. ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
Anderson Investments Pte. Ltd. ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
Thomson Capital Pte. Ltd. ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%

Name of Shareholder	Nature of Interest	Number of Shares interested	Approximate percentage of the Company's issued share capital
Tembusu Capital Pte. Ltd. ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%
Temasek Holdings (Private) Limited ⁽³⁾	Interest in a controlled corporation	468,096,000(L)	39.01%

Notes:

- (1) The letter “L” denotes the shareholder’s long position in the Shares.
- (2) HK Huitang Zhihe is wholly-owned by SH Huitang Zhihe which in turn is wholly-owned by HBIS Company, which in turn is directly and indirectly owned by Chengde Iron and Steel Group Co., Ltd.* (承德鋼鐵集團有限公司) (“**HBIS Chengsteel**”), HBIS Hansteel and HBIS Tangsteel as to approximately 4.17%, 39.73% and 18.32%, respectively, and HBIS Chengsteel, HBIS Hansteel and HBIS Tangsteel are owned by HBIS as to 100%, 100% and 100%, respectively. As such, HBIS through its subsidiaries together indirectly holds approximately 62.22% equity interest in HBIS Company. By virtue of the SFO, each of SH Huitang Zhihe, HBIS Company, HBIS Hansteel and HBIS is deemed to be interested in the same number of Shares held by HK Huitang Zhihe.
- (3) CGI is owned as to 80% and 20% by Huang He and OxyChina Limited (“**OxyChina**”) respectively. Huang He is wholly-owned by China Infrastructure, whose general partner is CITP GP, which is held as to:
- (i) 60% by BOCI Investment Limited, which is wholly-owned by BOC International Holdings Limited, which is in turn wholly-owned by Bank of China Limited whose shares are listed and traded on the Main Board (stock code:3988) and the Shanghai Stock Exchange (stock code: 601988); and
 - (ii) 40% by Springleaf Investments Pte. Ltd., which is wholly-owned by Anderson Investments Pte. Ltd., which is in turn wholly-owned by Thomson Capital Pte. Ltd.. Thomson Capital Pte. Ltd. is wholly-owned by Tembusu Capital Pte. Ltd., which is in turn wholly-owned by Temasek Holdings (Private) Limited.

As at the Latest Practicable Date, (a) each of the 4 shareholders of OxyChina charged all of the shares registered in their respective own name in OxyChina; and (b) OxyChina charged all of its shares in CGI registered in its name in favour of Eastern Sky Limited as security agent nominated by Huang He pursuant to the charges dated 25 July 2011.

By virtue of the SFO, each of Huang He, China Infrastructure, CITP GP, BOCI Investment Limited, BOC International Holdings Limited, Bank of China Limited, Springleaf Investments Pte., Ltd., Anderson Investments Pte. Ltd., Thomson Capital Pte., Ltd., Tembusu Capital Pte. Ltd. and Temasek Holdings (Private) Limited is deemed to be interested in the same number of Shares held by CGI.

* for identification purpose only

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors (other than independent non-executive Directors) or their respective associates had engaged in or had any interest in any business which, directly or indirectly, competed or might compete with the businesses of the Group.

5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors:

- (i) had any interest, direct or indirect, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; or
- (ii) was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has been engaged by the Company and who has been named in this circular or who has given its opinion or advice contained in this circular:

Name	Qualification
Nuada Limited	A corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser:

- (i) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, recommendation, opinion and/or references to its name in the form and context in which they are included;
- (ii) did not have any interest, direct or indirect, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (iii) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. GENERAL

In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cgiihldgs.com) for a period of not less than 14 days before the date of the EGM:

- (a) the Master Gas Products and Related Services Agreement; and
- (b) the Master Utilities and Related Services Agreement.

NOTICE OF EGM

CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.

(Incorporated in the Cayman Islands with members' limited liability)

(Stock code: 1940)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of China Gas Industry Investment Holdings Co. Ltd. (the “**Company**”) will be held at 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong, on Wednesday, 31 December 2025, at 11:00 a.m. (Hong Kong time) to consider, and if thought fit, to pass the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the renewals of the Master Gas Products and Related Services Agreement and Master Utilities and Related Services Agreement (as defined in the circular of the Company dated 12 December 2025 (the “**Circular**”), a copy of which marked “A” is produced to the EGM and signed by the chairman of the EGM for the purpose of identification) dated 17 June 2020 entered into between the Company and HBIS (as defined in the Circular) for a period of three years from 1 January 2026 to 31 December 2028 be and are hereby approved, confirmed and/or ratified subject to compliance with all applicable provisions of the Listing Rules (as defined in the Circular), and all transactions contemplated thereunder and in connection therewith and any other ancillary documents be and are hereby approved, confirmed and/or ratified;
- (b) the Proposed Gas Products Annual Caps and Proposed Utilities Annual Caps (as defined in the Circular), be and are hereby approved, confirmed and/or ratified; and
- (c) any one of the directors of the Company be and is hereby authorised for and on behalf of the Company to sign such documents or deeds, and take all such steps as he may in his discretion consider necessary, expedient or desirable to implement and/or to give effect to the renewals of the Master Gas Products and

NOTICE OF EGM

Related Services Agreement and the Master Utilities and Related Services Agreement and the transactions contemplated thereunder as they may in his discretion consider to be desirable and in the interests of the Company.”

By Order of the Board of
China Gas Industry Investment Holdings Co. Ltd.
Song Changjiang
Chairman and executive Director

Hong Kong, 12 December 2025

Notes:

1. The approval of each of the (i) renewal of the Master Gas Products and Related Services Agreement and the transactions contemplated thereunder, together with the Proposed Gas Products Annual Caps, and (ii) renewal of Master Utilities and Related Services Agreement and the transactions contemplated thereunder, together with the Proposed Utilities Annual Caps is interdependent on and cannot proceed without the approvals of each other. As such, the Company will seek member's approval for each of the (i) renewal of the Master Gas Products and Related Services Agreement and the transactions contemplated thereunder, together with the Proposed Gas Products Annual Caps, and (ii) renewal of Master Utilities and Related Services Agreement and the transactions contemplated thereunder, together with the Proposed Utilities Annual Caps under the same single resolution at the EGM. As a result, members which exercise their rights to vote will be either voting in favour of the one single resolution which includes all of the (i) renewal of the Master Gas Products and Related Services Agreement and the transactions contemplated thereunder, together with the Proposed Gas Products Annual Caps, and (ii) renewal of Master Utilities and Related Services Agreement and the transactions contemplated thereunder, together with the Proposed Utilities Annual Caps, or voting against it. Members are reminded to exercise their voting rights cautiously.
2. Any member entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a member of the Company.
3. In order to be valid, a form of proxy, together with a power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority must be delivered to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
4. The register of members of the Company will be closed from Wednesday, 24 December 2025 to Wednesday, 31 December 2025 (Hong Kong time) (both dates inclusive), during which period no transfers of Shares will be effected. In order to qualify for the entitlement to attend and vote at the EGM, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Tuesday, 23 December 2025 (Hong Kong time).

NOTICE OF EGM

5. Where there are joint holders of any Share, any one of such persons may vote at the EGM, either in person or by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. The resolution at the EGM will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The results of the poll will be published on the websites of the Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
7. If tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons or a black rainstorm warning signal is in force at 11:00 a.m. on Wednesday, 31 December 2025 (Hong Kong time), the EGM will be adjourned in accordance with the Bye-laws and further announcement for details of alternative meeting arrangements will be made. The EGM will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the EGM under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.

As of the date of this notice, the Board of the Company comprises: (1) Mr. Song Changjiang (Chairman) and Mr. Sun Changhuan as the executive Directors; (2) Mr. Zhang Wenli and Ms. Ng Shuk Ming as the non-executive Directors; and (3) Mr. Siu Chi Hung, Mr. Xiao Huan Wei and Ms. Li Chun Elsy as the independent non-executive Directors.