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CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.

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

(Stock code: 1940)

INSIDE INFORMATION – REDUCTION IN PROFIT DUE TO IMPAIRMENT LOSSES ON PROPERTY, PLANT AND EQUIPMENT

This announcement is made by China Gas Industry Investment Holdings Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2024 (the “**Period**”) and the information currently available to the management of the Group, the Group is expected to record a profit after tax of the Company of not less than RMB50 million for the Period, as compared to the profit after tax of the Company of approximately RMB69.5 million for the six months ended 30 June 2023. The decrease in profit after tax of the Company for the Period was primarily attributable to impairment losses on property, plant and equipment of approximately RMB38 million recognised during the Period (the “**Impairment Losses**”). Such negative effects on profit were partially offset by the decrease in operating expenses due to certain cost saving measures adopted by the Group during the Period.

Due to the continued implementation of the exit and relocation plan (the “**Exit and Relocation Plan**”) of the HBIS Tangshan branch of HBIS Co., Ltd., the controlling shareholder of the Company and a major customer of the Group, the management of the Company (the “**Management**”) evaluated the Group’s production plan during the Period and had identified impairment indicators for certain machinery and equipment at the headquarters plant and the iron-making branch plant under Tangshan Tangsteel Gases Co. Ltd.* (唐山唐鋼氣體有限公司), a wholly-owned subsidiary of the Company (the “**Impaired Assets**”). For details of the Exit and Relocation Plan, please refer to the prospectus of the Company dated 28 October 2020 and the announcement of the Company dated 22 November 2023. In addition, an operation loss was incurred by the Group’s automobile LNG filling station. The value of the Impaired Assets and the LNG filling station had therefore been written down to their recoverable amounts, which were measured based on their estimated fair value less cost of disposal. Cost approach was adopted by the Management to estimate the fair values of the Impaired Assets and the LNG filling station. If the Impairment Losses were excluded, the Group is expected to record an increase of not less than RMB18 million in profit after tax for the Period.

The Group intended to dispose of the Impaired Assets and the LNG filling station by way of auction after the Period. As at the date of this announcement, the Group is preparing the documentation for the auction.

As at the date of this announcement, the Company is still in the process of finalising the unaudited interim results of the Group for the Period. The information contained herein is only based on a preliminary assessment by the Management with reference to the unaudited consolidated management accounts of the Group for the Period and the unaudited information currently available to the Board, which have not been reviewed by the audit committee of the Company and have not been audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the Period which will be published before the end of August 2024 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Tangshan, 16 August 2024

As of the date of this announcement, the Board comprises: (1) Mr. SONG Changjiang (Chairman) and Mr. SUN Changhuan as the executive Directors; (2) Mr. ZHANG Wenli, Mr. LAI Yui 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.

* *For identification purpose only*