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CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.

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

(Stock code: 1940)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL HIGHLIGHTS

- The revenue of the Group for the Reporting Period amounted to approximately RMB701.86 million, representing an increase of approximately 9.54% from the revenue of approximately RMB640.75 million for the six months ended 30 June 2024.
- The gross profit of the Group for the Reporting Period was approximately RMB168.44 million, representing an increase of approximately 1.99% from the gross profit of approximately RMB165.16 million for the six months ended 30 June 2024.
- The net profit of the Group for the Reporting Period amounted to approximately RMB74.60 million, representing an increase of approximately 44.05% from the net profit of approximately RMB51.79 million for the six months ended 30 June 2024.
- The basic and diluted earnings per Share attributable to equity shareholders of the Company for the Reporting Period were approximately RMB0.06 and RMB0.06, respectively, compared with basic and diluted earnings per Share of approximately RMB0.04 and RMB0.04, respectively, for the six months ended 30 June 2024.
- As at 30 June 2025, the gearing ratio of the Group was 23.0% as compared to 28.2% as at 31 December 2024.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	RMB	RMB
		(Unaudited)	(Unaudited)
Revenue	4	701,859,449	640,754,255
Cost of revenue	8	(533,416,793)	(475,592,095)
Gross profit		168,442,656	165,162,160
Selling and marketing expenses	8	(1,435,746)	(1,518,914)
Administrative expenses	8	(17,979,358)	(23,458,503)
Credit loss allowance for trade receivables		(12,111,377)	(1,875,760)
Impairment losses of property, plant and equipment		–	(37,891,436)
Research expenses	8	(36,775,653)	(29,774,650)
Other income	5	6,433,977	4,111,187
Other losses	6	(61,575)	(1,235,805)
Operating profit		106,512,924	73,518,279
Finance costs, net	7	(8,535,919)	(9,360,979)
Profit before income tax		97,977,005	64,157,300
Income tax expense	9	(23,373,604)	(12,365,862)
Profit for the period attributable to owners of the Company		74,603,401	51,791,438
Other comprehensive income, net of tax			
<i>Item that will not subsequently reclassified to profit or loss:</i>			
Currency translation differences		682,521	1,098,107
Total comprehensive income for the period		75,285,922	52,889,545
Total comprehensive income attributable to owners of the Company		75,285,922	52,889,545
Earnings per share – Basic and diluted	11	0.06	0.04

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 <i>RMB</i> (Unaudited)	As at 31 December 2024 <i>RMB</i> (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	12	1,566,798,641	1,510,162,921
Right-of-use assets	13	40,383,542	41,458,795
Deferred tax assets		5,939,279	4,161,589
Other assets		6,980,502	48,051,100
		<u>1,620,101,964</u>	<u>1,603,834,405</u>
Current assets			
Inventories		6,527,828	6,510,260
Trade receivables	14	580,407,416	532,766,201
Deposits, prepayments and other receivables	15	18,379,701	20,626,434
Financial assets at fair value through other comprehensive income		65,300,958	95,526,694
Cash and cash equivalents	16	193,841,400	183,884,753
		<u>864,457,303</u>	<u>839,314,342</u>
Current liabilities			
Trade and other payables	17	278,774,573	266,486,074
Contract liabilities	4	19,090,077	15,626,541
Borrowings		295,578,553	260,203,876
Lease liabilities	13	2,152,000	2,127,918
Current tax liabilities		10,337,358	2,234,098
		<u>605,932,561</u>	<u>546,678,507</u>
Net current assets		<u>258,524,742</u>	<u>292,635,835</u>

		As at 30 June 2025 <i>RMB</i> (Unaudited)	As at 31 December 2024 <i>RMB</i> (Audited)
	<i>Notes</i>		
Total assets less current liabilities		1,878,626,706	1,896,470,240
Non-current liabilities			
Borrowings		96,750,607	200,108,017
Lease liabilities	13	811,073	1,254,710
Deferred tax liabilities		61,874,878	51,203,287
		159,436,558	252,566,014
NET ASSETS		1,719,190,148	1,643,904,226
Capital and reserves			
Equity attributable to owners of the Company			
Share capital		836,016	836,016
Other reserves		1,369,125,838	1,360,695,924
Retained earnings		349,228,294	282,372,286
TOTAL EQUITY		1,719,190,148	1,643,904,226

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

China Gas Industry Investment Holdings Co. Ltd. (the “**Company**”) was incorporated in the Cayman Islands on 4 August 2006 as an exempted company with limited liability. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of its subsidiaries is the People’s Republic of China (the “**PRC**”).

The principal activity of the Company is investment holding. The Company and its subsidiaries (“**the Group**”) are engaged in the production and supply of industrial gases and the provision of related services in the PRC.

The interim condensed consolidated financial information comprises the interim condensed consolidated statement of financial position as at 30 June 2025, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months then ended, and selected explanatory notes (the “**Interim Financial Information**”). The Interim Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated.

The Interim Financial Information have been reviewed, not audited.

2. BASIS OF PREPARATION

The Interim Financial Information of the Group has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, “Interim Financial Reporting” and applicable disclosure provisions of the Rules Governing the Listing of Securities (“**the Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The preparation of the Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing the Interim Financial Information, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

The Interim Financial Information do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. ACCOUNTING POLICIES

The accounting policies and basis of preparation used in the preparation of the Interim Financial Information for the six months ended 30 June 2025 are consistent with those used in the annual financial statements for the year ended 31 December 2024 except for the adoption of the new and amendments to International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board and interpretations (collectively “**IFRS Accounting Standards**”) as set out below.

New and amendments to standards adopted by the Group

Amendments to IAS 21

Lack of Exchangeability

The Directors concluded that the application of the amendments have no significant impact on the interim condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision-makers (the “CODM”) of the Group who review the Group’s internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The Group is primarily engaged in the production and supply of industrial gas in the mainland China. Additionally, the Group is involved in production and supply of liquefied natural gases (“LNG”) and related gas transmission service. The Group also provide technical support and management services. The chief operating decision-maker assesses performance of the business based on a measure of operating results and consider the business from the product and service perspective. Accordingly, the Group has identified three (six months ended 30 June 2024: three) operating segments during the six months period ended 30 June 2025 as follows:

- Supply of industrial gas
- LNG and gas transmission service
- Technical support and management services

CODM assesses the performance of the reportable segments based on their revenue and gross profit. No analysis of the reportable segments’ assets and liabilities is regularly provided to the CODM for review.

- (i) The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2025 and 2024 are as follows:

	Six months ended 30 June 2025 (Unaudited)			
	Supply of industrial gas (pipeline and liquefied) <i>RMB</i>	LNG and gas transmission service <i>RMB</i>	Technical support and management service <i>RMB</i>	Total <i>RMB</i>
External revenue	580,443,170	112,866,597	8,549,682	701,859,449
Inter-segment revenue	12,483,064	–	–	12,483,064
Segment revenue	<u>592,926,234</u>	<u>112,866,597</u>	<u>8,549,682</u>	<u>714,342,513</u>
Segment profit	<u>156,841,357</u>	<u>6,111,289</u>	<u>5,490,010</u>	<u>168,442,656</u>
Impairment losses of property, plant and equipment	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

	Six months ended 30 June 2024 (Unaudited)			
	Supply of industrial gas (pipeline and liquefied) <i>RMB</i>	LNG and gas transmission service <i>RMB</i>	Technical support and management service <i>RMB</i>	Total <i>RMB</i>
External revenue	550,011,507	83,712,633	7,030,115	640,754,255
Inter-segment revenue	6,432,316	—	—	6,432,316
Segment revenue	<u>556,443,823</u>	<u>83,712,633</u>	<u>7,030,115</u>	<u>647,186,571</u>
Segment profit	<u>161,058,615</u>	<u>791,704</u>	<u>3,311,841</u>	<u>165,162,160</u>
Impairment losses of property, plant and equipment	<u>37,891,436</u>	<u>—</u>	<u>—</u>	<u>37,891,436</u>

(ii) Geographic information

The Company is domiciled in the Cayman Islands while the Group mainly operates its business in mainland China and all its revenue is derived in mainland China. Accordingly, no geographical information on the total revenue is presented.

(iii) Information about major customers

Revenue from customers contributing over 10% or more of the Group's revenue is as follow:

	Six months ended 30 June	
	2025 <i>RMB</i> (Unaudited)	2024 <i>RMB</i> (Unaudited)
Customer A	<u>527,644,509</u>	<u>523,944,975</u>

(iv) Revenue

All the Group's revenue is derived from contracts with customers.

An analysis of the Group's revenue by category for the six months ended 30 June 2025 and 2024 is disclosed as follows:

	Six months ended 30 June	
	2025 <i>RMB</i> (Unaudited)	2024 <i>RMB</i> (Unaudited)
Supply of pipeline industrial gas	512,590,082	462,324,549
Supply of liquefied industrial gas	62,688,500	82,397,763
Supply of LNG and gas transmission service	112,866,597	83,712,633
Technical support and management services	8,549,682	7,030,115
Others	<u>5,164,588</u>	<u>5,289,195</u>
	<u>701,859,449</u>	<u>640,754,255</u>

Except for gas transmission service of RMB19,116,768 (six months ended 30 June 2024: RMB26,924,265) as well as technical support and management services of RMB8,549,682 (six months ended 30 June 2024: RMB7,031,115) which is recognised over time, all of the Group's revenue is recognised at a point in time.

(v) Contract liabilities

The Group presents advances from customers for which the Group has an obligation to transfer goods or service to a customer.

The Group has recognised the following contract liabilities:

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Contract liabilities arising from:		
– Supply of liquefied industrial gas	10,505,232	6,436,111
– Supply of LNG	8,264,526	8,652,679
– Others	320,319	537,751
	19,090,077	15,626,541

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in each of the period relates to carried-forward contract liabilities at the beginning of the period:

	Six months ended 30 June 2025 RMB (Unaudited)	2024 RMB (Unaudited)
Supply of liquefied industrial gas	2,028,365	2,424,978
Supply of LNG	7,498,361	1,720,647
Others	–	522,497
	9,526,726	4,668,122

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB	RMB
	(Unaudited)	(Unaudited)
Government grants (<i>note (i)</i>)	2,683,740	2,825,522
Others (<i>note (ii)</i>)	3,750,237	1,285,665
	<u>6,433,977</u>	<u>4,111,187</u>

Note:

- (i) Government grants are all income related and there are no unfulfilled conditions or other contingencies attached to these government grants.
- (ii) The amounts mainly represent the proceeds from sale of scrap of RMB2,105,949 (six months ended 30 June 2024: RMB1,077,089) and reversal of value-added-tax over-provided of RMB1,622,629 (six months ended 30 June 2024: RMB nil).

6. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2025	2024
	RMB	RMB
	(Unaudited)	(Unaudited)
Net foreign exchange losses	(1,575)	(1,157,908)
Others	(60,000)	(77,897)
	<u>(61,575)</u>	<u>(1,235,805)</u>

7. FINANCE COSTS, NET

	Six months ended 30 June	
	2025	2024
	RMB	RMB
	(Unaudited)	(Unaudited)
<i>Finance income:</i>		
Interest income from bank deposits	727,599	914,037
<i>Finance costs:</i>		
Interest expenses on bank borrowings	(10,467,000)	(12,508,500)
Interest expense on lease liabilities	(61,518)	(96,996)
Add: amount capitalised	1,265,000	2,330,480
Finance costs expensed	<u>(9,263,518)</u>	<u>(10,275,016)</u>
Finance costs, net	<u>(8,535,919)</u>	<u>(9,360,979)</u>

Finance costs have been capitalized on qualifying assets at average interest rates of 3.78% per annum for the six months ended 30 June 2025 (six months ended 30 June 2024: 4.69% per annum).

8. EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	<i>RMB</i> (Unaudited)	<i>RMB</i> (Unaudited)
Auditor's remuneration	750,000	900,000
Consumption of power and utilities	402,151,626	362,441,557
Consumption of raw materials and low value consumables	62,767,218	38,578,698
Changes in inventories of finished goods	(67,896)	1,015,272
Depreciation of property, plant and equipment	58,021,118	65,087,470
Amortisation of right-of-use assets	1,075,253	1,211,269
Employee benefits expenses	28,179,287	28,622,247
Freight expenses	3,877,574	4,092,457
Equipment maintenance expenses	18,362,910	13,344,598
Operating service charges	–	3,145,198
Tax surcharges	4,370,770	2,770,471
Outsourcing labour costs	2,658,032	2,969,389
Professional service fee	2,349,255	802,535
Others	5,112,403	5,363,001
	<u>589,607,550</u>	<u>530,344,162</u>

9. INCOME TAX EXPENSE

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate of 25% in mainland China, being the tax rate applicable to the majority of consolidated entities as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB</i> (Unaudited)	<i>RMB</i> (Unaudited)
Current tax		
– PRC enterprise income tax	14,479,703	11,696,321
Deferred tax		
– Origination and reversal of temporary differences	8,893,901	669,541
Income tax expense	<u>23,373,604</u>	<u>12,365,862</u>

Notes:

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Law and is not subject to income tax. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

(b) PRC enterprise income tax

Income tax provision of the Group in respect of operations in mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the period, based on the existing legislation, interpretations and practises in respect thereof. The general corporate income tax rate in the PRC is 25%. Tangshan Tangsteel Gases Co., Ltd. and Luanxian Tangsteel Gases Co., Ltd., subsidiaries of the Group, were approved as High and New Technology Enterprise in the PRC and was entitled to a preferential income tax rate of 15%.

(c) PRC withholding tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax. The Company has recognised deferred tax liabilities for undistributed profits of its subsidiaries in the PRC.

(d) Super Deduction for research and development expense

According to the relevant laws and regulations promulgated by the State Tax Bureau of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that period. According to regulations promulgated by the State Tax Bureau of the People's Republic of China that was effective from 2018 to 2020, later extended to 2023, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that period. In March 2023, the State Tax Bureau of the People's Republic of China issued a notice to announce enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that period (“**Super Deduction**”).

(e) Income not subject to tax

According to the relevant laws and regulations promulgated by the State Tax Bureau of the People's Republic of China, the Group's subsidiaries in mainland China are entitled to deduct 10% of their revenue generated from supply of self-produced industrial hydrogen gas when determining their assessable profits during the period.

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

11. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share (the “Share”) is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB	RMB
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	74,603,401	51,791,438
	<hr/>	<hr/>
	Six months ended 30 June	
	2025	2024
	Number	Number
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares	1,200,000,000	1,200,000,000
	<hr/>	<hr/>

Diluted earnings per Share were the same as the basic earnings per Share as there was no dilutive potential ordinary shares existed during the six months ended 30 June 2025 and 2024.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment including construction in progress with an aggregate cost of amounting to RMB114,656,839 (six months ended 30 June 2024: RMB69,835,731). No property, plant and equipment were disposed of during the six months ended 30 June 2025 and 2024.

As at 30 June 2024, due to technological obsolescence and an operating loss suffered by its automobile LNG filling station, certain property, plant and equipment are going to be disposed after that date. Impairment indicators were identified by the management of the Group and these assets were written down to their recoverable amounts of RMB28,402,509, 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 these assets. The valuation model considers the cost to acquire or construct a substitute asset of comparable utility. Adjustment is then made for obsolescence, which encompasses physical deterioration as well as functional and economic obsolescence. The fair values upon which the recoverable amounts of these assets were based are categorised as a Level 3 measurement under fair value hierarchy. Key unobservable inputs used included replacement cost, obsolescence, and physical deterioration.

The Group made an impairment provision of RMB37,891,436 on these assets during the six months ended 30 June 2024.

There is no impairment provision on property, plant and equipment during the six months ended 30 June 2025.

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

During the six months ended 30 June 2025, no addition of right-of-use assets and lease liabilities were recognised by the Group (six months ended 30 June 2024: RMB Nil).

	Leased liabilities RMB
As at 1 January 2024 (Audited)	4,788,025
Interest expenses	186,140
Lease payments	(974,128)
Exchange alignment	(17,409)
Other non-cash movement	(600,000)
	<hr/>
As at 31 December 2024 and 1 January 2025 (Audited)	3,382,628
Interest expense	61,518
Lease payments	(465,465)
Exchange alignment	(15,608)
	<hr/>
As at 30 June 2025 (Unaudited)	<u>2,963,073</u>

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Current liabilities	2,152,000	2,127,918
Non-current liabilities	811,073	1,254,710
	<hr/>	<hr/>
	<u>2,963,073</u>	<u>3,382,628</u>

14. TRADE RECEIVABLES

	As at 30 June 2025 RMB (Unaudited)	As at 31 December 2024 RMB (Audited)
Trade receivables	619,095,985	559,343,393
Less: loss allowance for impairment	(38,688,569)	(26,577,192)
	<hr/>	<hr/>
	<u>580,407,416</u>	<u>532,766,201</u>

Note: As at 30 June 2025 and 31 December 2024, the fair values of the trade receivables of the Group approximated their carrying amounts.

Ageing analysis of trade receivables (net of allowance) based on invoice date is as follows:

	As at 30 June 2025 <i>RMB</i> (Unaudited)	As at 31 December 2024 <i>RMB</i> (Audited)
Up to 6 months	437,716,216	419,184,161
6 months to 1 year	120,915,240	103,468,956
1 to 2 years	21,020,635	9,154,401
Over 2 years	755,325	958,683
	<u>580,407,416</u>	<u>532,766,201</u>

The Group's trade receivables are generally required to be settled within 180 days from the invoice date. No interest is charged on the trade receivables.

As at 30 June 2025 and 31 December 2024, the carrying amount of the Group's gross trade receivables are denominated in RMB.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which requires expected lifetime losses to be recognised from initial recognition. The expected loss rates are based on the payment profiles of related customers and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 <i>RMB</i> (Unaudited)	As at 31 December 2024 <i>RMB</i> (Audited)
Other tax recoverable	8,696,521	9,131,493
Receivables due from related parties	40,168	40,880
Utilities and other prepayments	6,691,020	8,498,799
Deposits	2,264,946	2,268,216
Others	687,046	687,046
	<u>18,379,701</u>	<u>20,626,434</u>

16. CASH AND CASH EQUIVALENTS

	As at 30 June 2025 <i>RMB</i> (Unaudited)	As at 31 December 2024 <i>RMB</i> (Audited)
Denominated in:		
RMB	186,047,881	175,994,663
USD	4,825,874	4,835,385
HKD	2,967,645	3,054,705
	<u>193,841,400</u>	<u>183,884,753</u>

17. TRADE AND OTHER PAYABLES

	As at 30 June 2025 <i>RMB</i> (Unaudited)	As at 31 December 2024 <i>RMB</i> (Audited)
Trade payables	145,033,197	133,656,822
Payables for construction and equipment	62,264,953	52,025,173
Dividend payable	49,788,758	50,671,500
Payables for operating service fee	41,278	10,054,109
Other taxes payable	4,046,436	3,759,179
Salaries payable	3,447,590	2,184,062
Payables for professional service fee	1,009,399	1,455,881
Deposits	6,238,655	8,254,812
Others	6,904,307	4,424,536
	<u>278,774,573</u>	<u>266,486,074</u>

An ageing analysis of trade payables of the Group, based on invoice dates, was as follows:

	As at 30 June 2025 <i>RMB</i> (Unaudited)	As at 31 December 2024 <i>RMB</i> (Audited)
Less than 1 year	110,495,934	97,898,555
1 to 2 years	8,333,050	9,065,552
2 to 3 years	18,429,870	18,673,002
Over 3 years	7,774,343	8,019,713
	<u>145,033,197</u>	<u>133,656,822</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the production and supply of industrial gases in the PRC.

The Group's key products, industrial gases, are mainly used in the production of iron and steel. The Group's revenue is derived mainly from iron and steel production companies. According to the preliminary accounting data released by National Bureau of Statistics of China (the "**Statistic Bureau**") on 16 July 2025, GDP of China in the first half of 2025 was approximately RMB66,053.6 billion, representing an increase of approximately 5.3% over the first half of 2024 at a constant price.

According to the data released by China Iron and Steel Association, China's crude steel output was approximately 515 million tons in the first half of 2025, representing a year-on-year decrease of 3.0%, and the pig iron output was approximately 435 million tons, representing a year-on-year decrease of 0.8%; the production of steel was approximately 734 million tons, representing a year-on-year increase of 4.6%.

The Group's pipeline and liquefied industrial gas business during the six months ended 30 June 2025 (the "**Reporting Period**") increased by 5.53% in aggregate as compared to the corresponding period last year, while the revenue of the LNG products and pipeline transmission from Luanxian plant increased by 34.83%, and the revenue of the technical support and management services increased by 21.62%. The Group's revenue in the first half of 2025 was approximately RMB701.86 million.

Supply of Pipeline Industrial Gas

The Group's pipeline industrial gas is produced and transmitted to its customers via pipelines. The Group's production facilities are all located on, or in close proximity to, the production facilities of its pipeline industrial gas customers for the convenience of those customers being provided with industrial gas products. During the Reporting Period, the Group had two pipeline industrial gas production plants in operation, namely the TTG Laoting Branch (唐鋼氣體樂亭分公司) plant and the TTG new district plant (formerly known as the Zhongqi Investment (Tangshan) plant).

Supply of Liquefied Industrial Gas

To maximise the utilisation of its designed production capacity and increase its revenue, the Group also engages in the supply of liquefied industrial gas. The Group's liquefied industrial gas products include oxygen, nitrogen, argon and carbon dioxide. Among the oxygen and nitrogen in gas form and liquefied oxygen, nitrogen and argon generated in its air separations unit(s) ("**ASUs**"), liquefied oxygen, nitrogen and argon can be sold directly as liquid products, whereas oxygen and nitrogen in gas form generated by the ASUs can be further processed through the liquefier to obtain liquefied oxygen and nitrogen. After meeting all the demand for oxygen and nitrogen in gas form in the pipeline, the Group utilises the spare design capacity to produce and sell liquefied nitrogen, thereby maximising the use of the ASUs. Carbon dioxide is produced in a separate production line independent from the production of oxygen, nitrogen and argon.

Provision of Technical Support and Management Services

The Group provides technical support and management services. Such services include management of organisation and planning, equipment inspections, equipment maintenance, routine maintenance, safety, labour and personnel etc. in respect of the production and supply of the industrial gas products.

Supply of LNG and the Provision of Gas Transmission Services

The Group's LNG-related business includes the supply of LNG and the provision of gas transmission services. The supply of LNG refers to the production and sales of LNG products by the Group. The provision of gas transmission services refers to the Group's coke oven gas pressurisation and transmission services provided via pipelines which are separate from those used for its supply of pipeline industrial gas. The Group's Luanxian plant produces LNG and also provides gas transmission services, and has relevant equipment and machinery used for the Group's LNG supply business.

The revenue and gross profit of the Group from each segment for the Reporting Period are set out as follows:

	Six months ended 30 June 2025 (Unaudited)			Six months ended 30 June 2024 (Unaudited)		
	Revenue <i>RMB</i>	Gross profit <i>RMB</i>	Gross profit margin	Revenue <i>RMB</i>	Gross profit <i>RMB</i>	Gross profit margin
Supply of industrial gas (pipeline and liquefied)	580,443,170	156,841,357	27.02%	550,011,507	161,058,615	29.28%
LNG and gas transmission service	112,866,597	6,111,289	5.41%	83,712,633	791,704	0.95%
Technical support and management services	8,549,682	5,490,010	64.21%	7,030,115	3,311,841	47.11%
The Group	<u>701,859,449</u>	<u>168,442,656</u>	<u>24.00%</u>	<u>640,754,255</u>	<u>165,162,160</u>	<u>25.78%</u>

Operation of the Group

In the first half of 2025, the total sales of the Group's pipeline industrial gas reached approximately 1,935.36 million NM³ (same period in 2024: approximately 1,784.70 million NM³), with revenue of approximately RMB511.84 million (same period in 2024: approximately RMB462.32 million); the sales of liquefied industrial gas totalled approximately 97,129 tons (same period in 2024: approximately 133,745 tons), with revenue of approximately RMB63.44 million (same period in 2024: approximately RMB82.40 million); the revenue generated from LNG and gas transmission service was approximately RMB112.86 million (same period in 2024: approximately RMB83.71 million); the revenue from technical support and management service was approximately RMB8.55 million (same period in 2024: approximately RMB7.03 million); and other revenue was approximately RMB5.16 million (same period in 2024: approximately RMB5.29 million).

OUTLOOK

Impact of external factors

While setting its GDP growth target at around 5% for 2025, China's GDP in the first half of 2025 grew by 5.3% year-on-year at a constant price. The year 2025 was a challenging year for the steel industry, which was affected by the high raw fuel prices and the falling steel prices, resulting a significant decline in profitability.

In the current global economic environment, gas supply companies face multiple risks, particularly in their business of supplying gas to iron and steel plants in China. The two main risk factors are changes in the US trade policy towards other countries and the impact of the US-China trade war. Firstly, the increase in tariffs by the US will have profound impact on global trade, which will not only affect the imported raw materials of iron and steel plants, but may also trigger adjustments to the entire supply chain. As our major customers, iron and steel plants may change their production plans and market demand due to the impact of trade policies, which may expose our gas demand to fluctuations, affecting sales forecast and inventory management. In summary, as policy uncertainty in the US market increases, our market position will be challenged.

Secondly, the continued escalation of the US-China trade war has exacerbated the instability of the global trade environment. As bilateral trade relations become tense, iron and steel plants may face challenges such as reduced market demand and higher trade barriers, which not only affect their production operations, but may also lead to changes in their demand for gas supply. Iron and steel plants may consider alternative sources of supply in response to the trade war, which could further reduce our market share. To address such risks, we need to formulate flexible business strategies, enhance our market analysis capabilities and risk forecasting capabilities, build a diversified customer base and supply chain to reduce our reliance on a single market, and strengthen our communication and co-operation with iron and steel plants to better understand the changes in their demand. In addition, we should also consider expanding into other markets and identifying new business opportunities, so as to maintain our competitiveness in an uncertain trading environment and ensure stable business development.

Opportunities brought by industry development prospect

China's industrial gas industry has developed rapidly under the influence of national policies, foreign investment, the development of high tech and so on. With the rapid development of the industry and the explosive surge in demand for emerging gas represented by electronic special gases, the industrial gas market in China is expected to continue growing.

As a leading industrial gas enterprise in Northern China, the Group has a clear advantage in the bulk industrial gas market. Meanwhile, the Group also keeps abreast of the industry development trends, actively develops special gas products, and expands the market share of electronic special gas products, so as to enhance its prospect for future development.

Opportunities brought by gas supply model development

The industrial gas supply model can be categorised into self-established equipment gas supply and outsourced gas supply. As compared to the self-established equipment gas supply model, the outsourced gas supply model has low operating cost and one-off financial cost with high gas supply stability and efficient resources utilisation. Therefore, the market share of outsourced gas supply has been growing steadily. It is expected that the outsourced gas supply model will gradually replace the self-established equipment gas supply model in the future.

The Group will fully leverage on its successful experience and technical advantages as an outsourced gas supplier to keep pace with the market trends of changes in gas supply models and explore external development opportunities.

Group's business development

The Group's business development is supported by customers with strong backgrounds. Based on the increasing demand for industrial gas products resulting from the expansion of customers' production capacity, the Group expects stable growth in its business in the future.

The increase in demand for industrial gas products will mainly be reflected by the following aspects:

1. The construction of the fourth blast furnace in the coastal base of HBIS Company Tangshan Branch

The fourth blast furnace is currently under construction, and the supporting 60,000NM³/h oxygen generating plant by TTG is ready to commence operation, pending the commissioning of the fourth blast furnace.

2. The construction of cold-rolled production line in the coastal base of HBIS Company Tangshan Branch

Hydrogen production units by TTG to support the two cold-rolled production lines are undergoing commissioning.

FINANCIAL REVIEW

The revenue of the Group for the Reporting Period amounted to approximately RMB701.86 million (same period in 2024: approximately RMB640.75 million), representing an increase of approximately 9.54% as compared with the same period in 2024. The gross profit for the Reporting Period amounted to approximately RMB168.44 million (same period in 2024: approximately RMB165.16 million), representing an increase of approximately 1.99% as compared with the same period in 2024. For the Reporting Period, the Company recorded a profit attributable to owners of approximately RMB74.60 million (same period in 2024: profit attributable to owners of approximately RMB51.79 million). The earnings per Share attributable to equity shareholders of the Company for the Reporting Period amounted to approximately RMB0.06 (same period in 2024: earnings per Share of approximately RMB0.04).

Revenue

The revenue of the Group for the Reporting Period amounted to approximately RMB701.86 million, representing an increase of approximately 9.54% as compared to approximately RMB640.75 million for the same period in 2024. For the Reporting Period, the revenue derived from supply of pipeline industrial gas amounted to approximately RMB512.89 million, representing an increase of approximately 10.87% as compared to approximately RMB462.32 million for the same period in 2024, mainly due to the addition of third-party pipeline gas users, which has boosted sales of pipeline gas. The revenue derived from supply of liquefied industrial gas for the Reporting Period amounted to approximately RMB62.69 million, representing a decrease of approximately 23.92% as compared to approximately RMB82.40 million for the same period in 2024, mainly due to the increase in pipeline gas supplied to related parties and third parties, resulting in a shortage of oxygen available for the production of liquefied industrial gases. The revenue derived from supply of LNG and gas transmission service for the Reporting Period amounted to approximately RMB112.87 million, representing an increase of approximately 34.83% as compared to approximately RMB83.71 million for the same period in 2024, which was mainly due to the resumption of normal production of LNG, which has increased LNG supply. The revenue derived from technical support and management service for the Reporting Period was approximately RMB8.55 million, representing an increase of approximately 21.62% as compared to approximately RMB7.03 million for the same period in 2024, which was primarily due to a significant increase in the volumes of pipeline nitrogen and hydrogen, which has led to a corresponding increase in service fees. The revenue derived from other sales for the Reporting Period was approximately RMB5.16 million, representing a decrease of approximately 2.46% as compared to approximately RMB5.29 million for same period in 2024. Other sales revenue decreased slightly, with no significant changes.

Other income and other net losses or gains

The other income of the Group for the Reporting Period amounted to approximately RMB6.43 million (same period in 2024: approximately RMB4.11 million), representing an increase of over 56.5%. The increase in other income was mainly due to the increase in revenue from the sale of discarded products and the reversal of value-added tax during the current period. The other net losses of the Group for the Reporting Period were approximately RMB0.062 million, as compared to other losses of approximately RMB1.24 million for the same period in 2024. The decrease in other net losses for the Reporting Period was mainly due to the decrease in net foreign exchange losses.

Selling and marketing expenses

The selling and marketing expenses of the Group for the Reporting Period decreased by approximately 5.26% to approximately RMB1.44 million (same period in 2024: approximately RMB1.52 million), mainly due to the reduction in equipment maintenance expenses in the first half of 2025.

Administrative expenses

The administrative expenses of the Group for the Reporting Period decreased by approximately 23.36% to approximately RMB17.98 million (same period in 2024: approximately RMB23.46 million). The decrease in administrative expenses was mainly due to the decrease in depreciation of fixed assets and a decrease in operating service fees due to the termination of services.

Credit loss allowance for trade receivables

During the Reporting Period, the credit loss allowance for trade receivables increased by approximately RMB12.11 million (same period in 2024: approximately RMB1.88 million), which was mainly due to the increase in receivables aged from six months to 1 year and 1 to 2 years.

Impairment losses of property, plant and equipment

During the Reporting Period, there is no impairment provision on property, plant and equipment (same period in 2024: impairment provision of RMB37,891,436). Details are set out in note 12 to the interim condensed consolidated financial statements in this announcement.

Finance costs, net

The net finance costs of the Group for the Reporting Period decreased by approximately 8.76% to approximately RMB8.54 million (same period in 2024: approximately RMB9.36 million), mainly due to the decrease in borrowings.

Income tax expense

The income tax expense of the Group for the Reporting Period amounted to approximately RMB23.37 million (same period in 2024: approximately RMB12.37 million). Such increase in income tax expense of approximately 88.92% was mainly due to the increase in Group's net profit before tax.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group had total cash and bank balances of approximately RMB193.84 million as at 30 June 2025 (31 December 2024: approximately RMB183.88 million). As at 30 June 2025, the bank borrowings and other liabilities of the Group amounted to approximately RMB395.29 million (31 December 2024: approximately RMB463.69 million), which included bank borrowings of approximately RMB392.33 million (31 December 2024: approximately RMB460.31 million) and lease liabilities of approximately RMB2.96 million (31 December 2024: approximately RMB3.38 million). The bank borrowings bore interest rates at a range of the loan prime rate +3.6% to +5.00% and the benchmark interest rate of 4.35% of the People's Bank of China. The Group's gearing ratio (calculated as total debt divided by total equity) was approximately 23% as at 30 June 2025 (31 December 2024: 28%). Net debt, calculated as total borrowing as well as lease liabilities less cash and cash equivalents, was approximately RMB201.45 million as at 30 June 2025 (31 December 2024: approximately RMB279.81 million). There were available credit facilities of approximately RMB325.50 million as at 30 June 2025, which can be utilised as additional liquidity of the Group.

The Group recorded total current assets of approximately RMB864.46 million as at 30 June 2025, representing an increase of approximately 3.00% as compared to approximately RMB839.31 million as at 31 December 2024; and total current liabilities of approximately RMB605.93 million as at 30 June 2025, representing an increase of approximately 10.84% as compared to approximately RMB546.68 million as at 31 December 2024. The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was approximately 1.43 as at 30 June 2025 (31 December 2024: approximately 1.54).

Currently, the Group's operating and capital expenditures are mainly financed by cash generated from operation, internal liquidity and bank borrowings.

RISK MANAGEMENT

The Group's principal financial instruments include financial assets at fair value through other comprehensive income, trade and other receivables and bank balances and cash, trade and other payables, borrowings and lease liabilities. The main purpose of these financial instruments is to support the Group's industrial gas business.

The Group also has various financial assets and financial liabilities arising from its business operations. The principal risks arising from its financial instruments are foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group intends to achieve an appropriate balance between these risks and the investment returns so as to minimise the potential adverse impact on its business and financial condition. The Group will not obtain collateral from counterparty.

As at 30 June 2025, the provision for impairment loss of approximately RMB38.69 million (31 December 2024: approximately RMB26.58 million) was made for trade receivables as part of the trade receivables was considered to be subject to certain credit risk due to their ageing of over six months. The management of the Group also evaluated all available forward-looking information, including but not limited to the expected growth rate of the industry and the settlement, and expected and concluded that there is no significant increase in credit risk. As at 30 June 2025, approximately 96% of trade receivables of the Group was payable by HBIS and HBIS Group (31 December 2024: approximately 89%). The credit period granted to the Group's customers, including the HBIS Group, is usually no more than 180 days and the credit quality of these customers is assessed taking into account their financial position, past experience, business relationship with the Group and other factors. In view of the sound history of receivables, the management of the Group believes that the inherent credit risk of the Group's unsettled trade receivables balance is insignificant, however, an impairment provision has been made for trade receivables in accordance with the principle of prudence.

The Group aims to maintain its current assets at appropriate level and is committed to a capital limit. This ensures that the Group can satisfy its short term and long-term liquidity needs. The Group had been following its liquidity policy during the Reporting Period, which has been effective in managing liquidity risk. The cash flow generated from the Group's operation is expected to be able to satisfy the Group's needs for cash flow in the future.

Foreign currency risk

Other payables as well as cash and cash equivalents of the Group, which are denominated in other currencies different to the functional currency of its related business, were mainly generated from the business outside China. The currencies that caused such exposure were primarily the United States dollars and Hong Kong dollars. The Group did not use derivative financial instruments to hedge against its foreign exchange risk.

The Group periodically reviews its foreign exchange risk and considers that there is no significant exposure to its foreign exchange risk.

Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from mismatches in amounts or time with regard to the financial assets and liabilities. The Group manages its liquidity risk through regular monitoring with the following objectives: maintaining the stability in developing the Group's principal businesses, timely monitoring cash and bank position, projecting cash flows and evaluating the level of current assets to ensure liquidity of the Group.

Pledge of assets

As at 30 June 2025, the Group did not have any charge over its assets (31 December 2024: Nil).

TREASURY POLICIES

The bank balance and cash held by the Group were denominated in Hong Kong dollars, Renminbi and United States dollars. The Group currently does not have a foreign currency and interest rate hedging policy. However, the management of the Group monitors foreign currency and interest rate exposure from time to time and will consider hedging significant foreign currency and interest rate exposure when necessary.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no significant investments held, material acquisitions and disposals of subsidiaries or associated companies, or investment projects for sale during the Reporting Period.

CAPITAL COMMITMENTS

As at 30 June 2025, the total capital commitments of the Group amounted to approximately RMB36.83 million (31 December 2024: approximately RMB55.68 million). They were mainly contracted commitments in respect of purchase of property, plant and equipment.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to the Reporting Period and up to the date of this announcement.

STAFF AND REMUNERATION POLICIES

The Group believes that talent is one of the key factors which has led to its success. The Group has experienced management team members and employees to assist it in its business expansion. The Group plans to continue to attract and retain highly skilled personnel and further strengthen its corporate culture by continuing to invest in supporting employees in their career development. The Group also plans to provide its employees with trainings and professional development programmes and further align employees' interests with its own interest.

The Group places high emphasis on the training and development of its staff. The Group invests in continuing education and training programs for its management and other staff members to update their skills and knowledge periodically. The Group provides trainings for its staff members with respect to its operation, technical knowledge and work safety standards and environmental protection.

To attract and retain the suitable personnel who are beneficial to the development of the Group, the Group has adopted a share option scheme conditionally by the written resolutions of its then shareholders on 17 June 2020 (the “**Share Option Scheme**”) and such scheme is effective for a period of 10 years commencing from 29 December 2020. Pursuant to the Share Option Scheme, share options may be granted to eligible employees of the Group as a long-term incentive. No share options were granted, cancelled or lapsed up to the date of this announcement.

The Group hired 315 employees in total as at 30 June 2025 (31 December 2024: 324 employees) with total staff costs of approximately RMB28.18 million (same period in 2024: approximately RMB28.62 million). The Group offers competitive remuneration packages to its employees.

EMOLUMENTS OF CHIEF EXECUTIVE OFFICER

The Company would like to provide information in relation to the emoluments paid or payable to the chief executive officer. Mr. Li Libing was appointed as chief executive officer on 31 March 2022. Mr. Li waived his emolument for the respective years ended 31 December 2022, 31 December 2023, 31 December 2024 and the Reporting Period, as a result of which he did not receive any fees, salary, allowances and the other items as listed under paragraphs 24(1) to (6) of Appendix D2 of the Listing Rules in his capacity as a CEO during these periods.

Mr. Li provided written confirmations on 31 March 2022, 1 January 2023, 1 January 2024 and 1 January 2025 to waive the chief executive officer’s emoluments of HKD900,000, HKD1,200,000, HKD1,200,000 and HKD600,000 during the year ended 31 December 2022, the year ended 31 December 2023, the year ended 31 December 2024 and the Reporting Period, respectively.

CORPORATE GOVERNANCE

The Board recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Board is committed to achieving high standards of corporate governance with a view to safeguarding the interests of shareholders of the Company as a whole. The Company has adopted the principles of good corporate governance and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules as the basis of the Company’s corporate governance practices.

The Company has complied with all applicable code provisions set out in the CG Code throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company’s listed securities (including sale of treasury shares).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

Having made specific enquiry with the Directors, all Directors have confirmed that the required standards of the Model Code had been complied with throughout the Reporting Period.

REVIEW OF UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed the unaudited interim condensed consolidated financial information of the Group for the Reporting Period and this announcement. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters.

In addition, the independent auditor of the Company, BDO Limited, has reviewed the unaudited interim financial information of the Group for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.cgiihltds.com). The interim report of the Company for the six months ended 30 June 2025 will be despatched to the shareholders of the Company and published on the aforesaid websites in late September 2025.

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

Tangshan, 26 August 2025

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