

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



SINO GAS HOLDINGS GROUP LIMITED

中油潔能控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1759)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

DISPOSAL OF SUBSIDIARY

References are made to the announcement of Sino Gas Holdings Group Limited (the “**Company**”) dated 28 July 2026 (the “**Announcement**”) in relation to, among other things, the disposal of subsidiary. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information set out in the Announcement, the Company would like to provide the Shareholders and potential investors of the Company with the following additional information in respect of the disposal of subsidiary.

BASIS OF CONSIDERATION

Notwithstanding the Board did not take into account any independent valuation when assessing the fairness and reasonableness of the Consideration and whether the Disposal was in the interests of the Company and the Shareholders as a whole, the Board, after careful and comprehensive assessment, was of the view that:

(i) Henan Blue Sky is principally engaged in the operation of CNG refuelling stations and petroleum refuelling stations for vehicles, serving mainly retail customers using CNG-powered vehicles and vehicles powered by conventional petroleum fuels. Due to the severe market impact brought about by the increasing adoption of electric vehicles in Zhumadian City, demand for traditional vehicle fuels in the region has continued to contract and the downturn is unlikely to bounce back in the foreseeable future. Henan Blue Sky’s financial performance has continued to deteriorate. According to the audited financial information of Henan Blue Sky, its revenue decreased from RMB25.875 million for the year ended 31 December 2024 to RMB17.023 million for the year ended 31 December 2025, representing a year-on-year contraction. Henan Blue Sky has begun to incur losses since 2024, continuing to incur net losses for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, with net losses after tax of RMB1.443 million, RMB1.015 million and RMB0.686 million, respectively;

(ii) the operating performance of Henan Blue Sky has continued to decline and is expected to face further downward pressure, and it is unlikely to generate positive cash flows or reverse its continuing loss-making position in the short term. If the Group continued to retain its equity interest in Henan Blue Sky, the financial position of Henan Blue Sky is expected to deteriorate further as the penetration rate of electric vehicles continues to increase, thereby continuing to weigh on the Group's overall profitability;

(iii) the CNG Mother Station, CNG refuelling stations and petroleum refuelling stations operated by Henan Blue Sky are expected to require ongoing maintenance and capital expenditure in the future having regard to their years of operation and actual operating conditions, which would further increase the operating pressure on Henan Blue Sky;

(iv) having reviewed the composition and carrying amounts of the assets and liabilities of Henan Blue Sky, the Board concluded that there was no material indication that such carrying amounts did not provide a reasonable reference for assessing the financial position of Henan Blue Sky, and that the available financial and operational information was sufficient for the Board to comprehensively assess the financial position and commercial prospects of Henan Blue Sky; and

(v) the Group has conducted multiple rounds of discussions and negotiations with a number of interested potential purchasers. After taking into account key factors including the Consideration, the transaction terms, the potential purchasers' ability to perform their obligations and transaction efficiency, the Group ultimately selected the Purchaser as the most suitable counterparty for the Disposal. The Consideration represents a comparatively favourable price achieved through market negotiations and fully reflects the outcome of those negotiations.

The Board was further of the view that the Disposal represented an opportunity for the Group to dispose of Henan Blue Sky, thereby avoiding the risk of further losses arising from its continued operation and releasing the relevant management and financial resources for reallocation to other businesses of the Group with better prospects. Accordingly, the Board considered that a separate independent valuation of Henan Blue Sky or its assets was unnecessary for the purpose of assessing the Consideration. Given the above, the Directors were of the view that the Consideration was fair and reasonable and that the Disposal was in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSAL

By way of further information, the Group's regional management centre in Henan Province is located in Zhengzhou City, whereas all operating sites of Henan Blue Sky are located in Zhumadian City, approximately 200 kilometres apart. The day-to-day operations of Henan Blue Sky are centrally overseen by the management team at the Group's regional management centre in Henan Province. The management team is required to travel between the two locations to conduct on-site operational supervision, safety inspections, equipment maintenance and testing and other work, resulting in certain travelling expenses and time costs and having a shift of focus with which management resources are required. For instance, for the year ended 31 December 2025, based on the management's best estimation, such manpower cost and travelling expenses amounted to approximately not less than RMB 1.5 million. In view of the decreasing revenue of Henan Blue Sky, the Directors are of the view that such expenses which are relatively fixed in nature would create further pressure on the future profitability of Henan Blue Sky.

Upon completion of the Disposal, the Group will be able to immediately eliminate the adverse impact of Henan Blue Sky's continuing losses on the Group, thereby reducing the Group's overall losses. At the same time, the Group will be able to free up the management personnel and operational and financial resources previously devoted to this loss-making business and redirect its operational and management focus towards business operations in the Group's core area in Zhengzhou City that have a stable profit base and growth potential, thereby further optimising the Group's overall resource allocation and improving its overall profitability.

The Group has held and operated Henan Blue Sky as the Company's wholly-owned subsidiary since 2020. In the earlier years, demand for vehicle fuels in the region was strong, Henan Blue Sky maintained a stable scale of operations, and the operating profits generated were sufficient to cover the relevant management costs and resource commitments, such that retaining and operating Henan Blue Sky generated reasonable economic benefits. However, in recent years, with the rapid adoption of electric vehicles in Zhumadian City, demand for CNG and refined petroleum products used by conventional vehicles has continued to contract. Henan Blue Sky's revenue fell from approximately RMB25.9 million for the year ended 31 December 2024 to approximately RMB17.0 million for the year ended 31 December 2025, and it recorded net losses from operations for several consecutive accounting periods. As its operating scale has continued to contract and its profitability has continued to weaken, the modest operating returns generated by Henan Blue Sky are no longer commensurate with the various management resources continuously committed by the Group. Following careful assessment, the Board considered that, if the Group continued to retain its equity interest in Henan Blue Sky, its loss-making position would be difficult to reverse in the short term and would continue to weigh on the Group's overall profitability over the longer term.

In summary, reducing continuing losses and releasing resources to focus on core businesses with better profitability prospects were the principal reasons for the Board's approval of the Disposal, while the minor impact on management efficiency arising from the geographical separation was only a secondary consideration. The continued allocation of the Group's limited resources to Henan Blue Sky is therefore no longer commercially or economically justifiable.

All other information contained in the Announcement remains unchanged and continues to be valid for all purposes. This announcement is a supplement to and should be read in conjunction with the Announcement.

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

Hong Kong, 12 August 2026

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

Executive Directors:

Mr. Ji Guang (*Chairman*)

Ms. Ji Ling (*Vice-Chairman and Chief Executive Officer*)

Mr. Zhou Feng

Independent non-executive Directors:

Mr. Sheng Yuhong

Mr. Wang Zhonghua

Mr. Chan Kai Wing