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**THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, stockbroker, a bank manager, solicitor, professional accountant or other professional adviser and obtain independent professional advice.

If you have sold or transferred all your securities in CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD., you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the licensed securities dealer, registered institution in securities, bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their 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 Composite Document and the accompanying Form of Acceptance.

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**Tangde Gas Co., Limited**  
(Incorporated in the British Virgin Islands with limited liability)

**CHINA GAS INDUSTRY  
INVESTMENT HOLDINGS CO. LTD.**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 01940)

**COMPOSITE OFFER AND RESPONSE DOCUMENT IN RELATION TO  
CONDITIONAL MANDATORY CASH OFFERS BY  
FIRST SHANGHAI SECURITIES LIMITED FOR AND ON BEHALF OF  
TANGDE GAS CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN  
CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.  
(OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED  
BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

**Joint Financial Advisers to the Offeror**



**CMB International Capital Limited**



**CEB International Capital Corporation Limited**

**Offer Agent to the Offeror**



**First Shanghai Securities Limited**

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

**Nuada Limited**

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Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) shall have the same meanings as those defined in the section headed "Definitions" of this Composite Document.

A letter from First Shanghai containing, among other things, the details of the terms of the Offer is set out on pages 14 to 30 of this Composite Document. A letter from the Board is set out on pages 31 to 44 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholder(s) is set out on pages 45 to 46 of this Composite Document. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in respect of the Offer is set out on pages 47 to 83 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. The Form of Acceptance should be received by the Registrar, namely, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event no later than 4:00 p.m. on Tuesday, 26 May 2026 or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the section headed "Overseas Shareholders" in Appendix I of this Composite Document before taking any action. It is the responsibility of any Overseas Shareholders wishing to take any action in relation to the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including obtaining all governmental, exchange control or other consents and any registration or filing which may be required and compliance with all necessary formalities, regulatory or legal requirements and the payment of any issue, transfer or other taxes payable by such Overseas Shareholders in respect of the acceptance of the Offer (as applicable) in such jurisdiction. The Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer (as applicable).

This Composite Document is issued jointly by the Offeror and the Company. This Composite Document will remain on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company at [www.cgiihdgs.com](http://www.cgiihdgs.com) as long as the Offer remain open.

**In the event of any inconsistency, the English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their Chinese text.**

4 May 2026

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## EXPECTED TIMETABLE

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*The timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document and the Form of Acceptance refer to Hong Kong time and dates.*

*(Hong Kong time,  
unless otherwise indicated)*

2026

Despatch date of this Composite Document and accompanying Form(s) of Acceptance ( <i>Note 1</i> ) . . . . .	Monday, 4 May
Offer open for acceptance ( <i>Note 1</i> ) . . . . .	Monday, 4 May
Latest time and date for acceptance of the Offer on the First Closing Date ( <i>Note 2, 3 and 6</i> ) . . . . .	4:00 p.m. on Tuesday, 26 May
First Closing Date of the Offer ( <i>Note 2</i> ) . . . . .	Tuesday, 26 May
Announcement of the results of the Offer and level of acceptance as at the first Closing Date or as to whether the Offer have been revised or extended on the website of the Stock Exchange ( <i>Note 2</i> ) . . . . .	not later than 7:00 p.m. on Tuesday, 26 May
Latest date of posting of remittance for the amounts due under the Offer in respect of valid acceptances received on or before 4:00 p.m. on the First Closing Date (assuming the Offer becomes or is declared unconditional in all respects on the First Closing Date) ( <i>Notes 4 and 6</i> ) . . . . .	Thursday, 4 June
Latest time and date for acceptance of the Offer remaining open (assuming the Offer becomes, or is declared, unconditional on the First Closing Date ( <i>Note 3, 5 and 6</i> ) . . . . .	4:00 p.m. on Tuesday, 9 June
Final Closing Date of the Offer (assuming the Offer becomes or is declared unconditional on the First Closing Date) . . . . .	4:00 p.m. on Tuesday, 9 June
Announcement of the results of the Offer as at the Final Closing Date to be posted on the website of the Stock Exchange ( <i>Note 5</i> ) . . . . .	no later than 7:00 p.m. on Tuesday, 9 June

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## EXPECTED TIMETABLE

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Latest date of posting of remittance for the amount due under the Offer in respect of valid acceptances received on or before 4:00 p.m. on the Final Closing Date (assuming the Offer become or are declared unconditional in all respects on the First Closing Date) (*Notes 4 and 6*) . . . . . Thursday, 18 June

Latest time and date by which the Offer can become or be declared unconditional as to acceptances (*Note 7*) . . . . . 7:00 p.m. on Friday, 3 July

*Notes:*

1. The Offer, which is conditional, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the offeror revises or extends the Offer in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least twenty-one (21) days after the date on which this Composite Document was posted, i.e. Monday, 25 May 2026, which is not a Business Day and therefore extended to the next Business Day, being Tuesday, 26 May 2026. The latest time and date for acceptance of the Offer will be 4:00 p.m. on Tuesday, 26 May 2026 unless the Offeror extends the Offer in accordance with the Takeovers Code. The Offeror has the rights under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In accordance with the Takeovers Code, an announcement must be issued on the website of the Stock Exchange no later than 7:00 p.m. on Tuesday, 26 May 2026 stating either the next Closing Date or that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the Offer is closed to those Independent Shareholder(s) who have not accepted the Offer.
3. Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of HKSCC and HKSCC Operational Procedures.
4. Remittances in respect of the cash consideration (after deducting the seller's Hong Kong ad valorem stamp duty in respect of acceptances of the Offer) payable for the Offer Shares tendered under the Offer will be despatched to the accepting Independent Shareholder(s) by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid, and in accordance with the Takeovers Code.
5. In any event, in accordance with the Takeovers Code, where the Offer becomes or is declared unconditional, the Offer should remain open for acceptance for not less than fourteen (14) days thereafter. When the Offer becomes or is declared unconditional in all respects, at least fourteen (14) days' notice in writing must be given before the Offer is closed to those Independent Shareholder(s) who have not accepted the Offer. The Offeror has the rights, subject to the Takeovers Code, to extend the Offer until such date as it may determine or as permitted by the Executive. The Offeror and the Company will jointly issue an announcement in relation to any extension of the Offer, which will state the next Closing Date or, if the Offer has become or is at that time unconditional, that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice will be given before the Offer is closed, to those Independent Shareholder(s) who have not accepted the Offer and an announcement will be published.

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## EXPECTED TIMETABLE

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6. If any severe weather condition is in force in Hong Kong:
- a) at any local time before 12:00 noon but no longer in force at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the posting of remittances will remain at 4:00 p.m. on the same Business Day and the latest date for despatch of remittances will remain on the same Business Day; or
  - b) at any local time at or after 12:00 noon. on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the next Business Day and the latest date for despatch of remittances will be rescheduled to 4:00 p.m. to the next Business Day which does not have either of those warnings in force at 12:00 noon and/or thereafter (or another Business Day thereafter that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this Composite Document, “severe weather” refers to the scenario where Typhoon Signal No. 8 or above, a Black Rainstorm Warning (as issued by the Hong Kong Observatory), or the “Extreme Conditions” warning (as announced by the Hong Kong Government) is in force in Hong Kong.

7. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on Friday, 3 July 2026, being the sixtieth (60) day after the day this Composite Document is posted. When a period laid down in the Takeovers Code ends on a day which is not a Business Day, the period is extended until the next Business Day. Accordingly, unless the Offer has previously become unconditional as to acceptances, the Offer will lapse on Friday, 3 July 2026 unless extended with the consent of the Executive and in accordance with the Takeovers Code. Therefore, the last day by which the Offer can become or declared unconditional as to acceptance is Friday, 3 July 2026.

**Save as mentioned above, if the latest time for the acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Shareholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.**

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## **IMPORTANT NOTICES**

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### **NOTICE TO HOLDERS OUTSIDE OF HONG KONG**

The Offer made to the Independent Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such persons are located. Such persons should inform themselves about and observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any Overseas Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due from the accepting Shareholders in such jurisdictions.

Please refer to the section headed “Important Note to Overseas Shareholders” in the “Letter from First Shanghai” in this Composite Document for further information.

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## DEFINITIONS

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*In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings:*

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Applicable Law”	means with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, determination, orders or notices of any authority or stock exchange that is applicable to such person including, for the avoidance of doubt, the Listing Rules and the Takeovers Code
“Assignments of Loans”	the deeds of assignment entered into between the Offeror and the Company on 15 April 2026 for assignment of all the interests and ancillary benefits in the Loans under relevant loan agreements together with the interests accrued thereon
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Auditor”	BDO Limited
“Board”	the board of Directors of the Company
“Business Day(s)”	as defined in the Takeovers Code, a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CEBI”	CEB International Capital Corporation Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being one of the Joint Financial Advisers

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## DEFINITIONS

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“Closing Date”	being the first closing date of the Offer, which is 21 days after the date on which this Composite Document is posted, i.e. Monday, 25 May 2026, which is not a Business Day and therefore extended to the next Business Day, being Tuesday, 26 May 2026, or if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror in accordance with the Takeovers Code
“CMBI”	CMB International Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being one of the Joint Financial Advisers
“Company”	CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD., a company incorporated in Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 01940)
“Composite Document”	this composite offer and response document jointly issued by or on behalf of the Offeror and the Company to all Independent Shareholders in accordance with the Takeovers Code containing, among others, details of the Offer and the acceptance and transfer forms in respect of the Offer, as may be revised or supplemented as appropriate
“Condition”	the condition of the Offer, as set out in paragraph headed “Condition to the Offer” in the Composite Document
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to the controlling shareholders of the Company
“Consideration”	The consideration under the Share Purchase Agreement in the amount of US\$30,100,000
“Deed of Assignment”	the assignment of the Receivables dated 14 January 2026 entered into between the Offeror and the Vendor as amended by an amendment deed dated 24 January 2026

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## DEFINITIONS

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“Deed of Warranty”	the deed of Warranty dated 28 January 2026 entered into by HK Huitang Zhihe in favor of the Offeror
“Director(s)”	the director(s) of the Company
“Encumbrance”	any mortgage, charge (fixed or floating), pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid and “Encumbrances” shall be construed accordingly
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Closing Date”	being the first date on which the Offer is permitted to be closed, being 21 days after the date on which this Composite Document is posted, i.e. Monday, 25 May 2026, which is not a Business Day and therefore extended to the next Business Day, being Tuesday, 26 May 2026
“First Shanghai”	First Shanghai Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being the offer agent appointed by the Offeror
“Form of Acceptance”	the form of acceptance and transfer of the Shares in respect of the Offer
“Group”	the Company and its subsidiaries
“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 on 24 June 2008, a wholly-owned subsidiary of Hebei Province SASAC
“HBIS Chengsteel”	Chengde Iron and Steel Group Co., Ltd.* (承德鋼鐵集團有限公司), a company established under the laws of the PRC with limited liability on 1 July 1980, and a wholly-owned subsidiary of HBIS

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## DEFINITIONS

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“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 on 18 January 1997 and listed on the Shenzhen Stock Exchange (stock code: 000709), formerly known as Tangshan Steel Company Limited* (唐山鋼鐵股份有限公司) and Hebei Iron and Steel Company Limited* (河北鋼鐵股份有限公司), a subsidiary of HBIS
“HBIS Hansteel”	Handan Iron and Steel Group Co., Ltd.* (邯鄲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 wholly-owned subsidiary of HBIS
“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
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK Huitang Zhihe”	Huitang Zhihe (Hong Kong) Co., Limited (惠唐鄧和(香港)有限公司), a company incorporated under the laws of Hong Kong with limited liability on 26 November 2019, and one of the Company’s Controlling Shareholders
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huang He”	Huang He Investment Limited, a company incorporated under the laws of Cayman Islands with limited liability on 14 December 2010
“Independent Board Committee”	the independent board committee of the board of directors of the Company, comprising Mr. ZHANG Wenli, Mr. SIU Chi Hung, Mr. XIAO Huan Wei and Ms. LI Chun Elsy, formed for the purpose of advising the Offer Shareholders in respect of the Offer

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## DEFINITIONS

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“Independent Financial Adviser”	Nuada Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee in connection with the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Independent Third Party(ies)”	person(s) or company(s) who/which is/are not connected with the directors, chief executive or substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries, or any of their respective associates
“Irrevocable Undertaking”	the irrevocable undertaking given by HK Huitang Zhihe that (i) it shall not tender any of the Shares held by it for acceptance of the Offer; and (ii) it shall not transfer, pledge, dispose of or otherwise create any encumbrances in respect of any of the Shares held by it from the date of its undertaking until the close of the Offer
“Joint Announcement”	the announcement dated 13 March 2026 jointly issued by the Company and the Offeror in respect of, among other things, the Share Purchase Agreement and the Offer
“Joint Financial Advisers”	CEBI and CMBI
“Last Trading Day”	28 January 2026, being the last trading day before trading in the Shares was halted pending the publication of the Joint Announcement
“Latest Practicable Date”	being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein, i.e. Friday, 1 May 2026, which is not a Business Day and therefore extended to the preceding Business Day, being Thursday, 30 April 2026
“Letter of Undertaking”	the letter of undertaking dated 28 January 2026 entered into by HK Huitang Zhihe in favor of the Offeror
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Loan 1”	RMB50,000,000 advanced by the Company to Aevitas Capital Management Limited on 7 December 2020 pursuant to a loan agreement dated 30 November 2020 signed by the Company as lender and Aevitas Capital Management Limited as borrower, purporting to set out the terms for a loan of RMB50,000,000 from the Company to Aevitas Capital Management Limited at an interest rate of 2% per annum, repayable on 30 December 2020
“Loan 2”	RMB53,522,000 advanced by the Company to Orbitronic Global Development Co., Limited on 10 December 2020, pursuant to a loan agreement dated 1 December 2020 signed by the Company as lender and Orbitronic Global Development Co., Limited as borrower, purporting to set out the terms for a loan of RMB53,522,000 from the Company to Orbitronic Global Development Co., Limited at an interest rate of 2% per annum, repayable on 30 December 2020
“Loan 3”	RMB14,478,000 advanced by the Company to Unite Victory International Trading Limited on 10 December 2020, pursuant to a loan agreement dated 1 December 2020 signed by the Company as lender and Unite Victory International Trading Limited as borrower, purporting to set out the terms for a loan of RMB14,478,000 from the Company to Unite Victory International Trading Limited at an interest rate of 2% per annum, repayable on 30 December 2020
“Loans”	collectively Loan 1, Loan 2 and Loan 3
“Non-acceptance Shares”	the 431,904,000 Shares held by HK Huitang Zhihe immediately after the Share Purchase Completion
“Offer”	the conditional mandatory cash offer for the Offer Shares at the Offer Price to be made by First Shanghai on behalf of the Offeror in accordance with the Takeovers Code

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## DEFINITIONS

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“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing from 13 March 2026, being the date of publication of the Joint Announcement until the Closing Date or such other later date as revised or extended by the Offeror, with the consent of the Executive, in accordance with the Takeovers Code
“Offer Price”	HK\$0.626 per Offer Share in respect of the Offer
“Offer Share(s)”	all the Share(s) in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offer Shareholder(s)”	holder(s) of Offer Share(s)
“Offeror”	Tangde Gas Co., Limited, a company incorporated in the BVI with limited liability
“Offeror’s Warranties”	the representations, warranties and undertakings given by the Offeror under the Share Purchase Agreement
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purposes of the Share Purchase Agreement does not include Hong Kong, the Macau Special Administrative Region and Taiwan unless the context otherwise specifies
“Receivables”	the dividends owed by the Company to the Vendor in the outstanding amount of RMB50,671,500
“Registrar”	Tricor Investor Services Limited, the Company’s share registrar in Hong Kong located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period from 13 September 2025 to Thursday, 30 April 2026, being six months preceding the commencement of the Offer Period to the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share(s)”	an aggregate of 468,096,000 Shares legally and beneficially owned by the Vendor

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## DEFINITIONS

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“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SH Huitang Zhihe”	Shanghai Huitang Zhihe Investment Co., Ltd.* (上海惠唐 鄧和投資有限公司), a company established under the laws of the PRC with limited liability on 2 December 2014 and is wholly owned by HBIS Company
“Share(s)”	ordinary shares of US\$0.0001 each in the share capital of the Company
“Share Purchase”	the purchase of the Sale Shares by the Offeror
“Share Purchase Agreement”	the conditional agreement dated 28 January 2026 entered into between the Vendor and the Offeror in respect of the Share Purchase
“Share Purchase Completion”	completion of the Share Purchase pursuant to the Share Purchase Agreement
“Shareholders”	registered holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Vendor”	China Gas Investors Ltd., a company incorporated under the laws of Cayman Islands with limited liability on 6 September 2006, which is wholly owned by Huang He and one of the Company’s Controlling Shareholders
“Vendor’s Warranties”	the representations, warranties and undertakings given by the Vendor under the Share Purchase Agreement
“%”	per cent

\* For identification purpose only.

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## DEFINITIONS

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*For ease of reference and unless otherwise specified in the Joint Announcement, sums in US\$ and HK\$ have been translated at the rate US\$1 = HK\$7.826 and sums in RMB and HK\$ have been translated at the rate RMB1 = HK\$1.134. Relevant exchange rates are those quoted by Bloomberg and the People's Bank of China respectively at 10:00 a.m. on the date of the Joint Announcement. It does not mean that HK\$, RMB and US\$ could be converted based on such exchange rates.*

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## LETTER FROM FIRST SHANGHAI

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19/F, Wing On House  
71 Des Voeux Road Central  
Hong Kong

4 May 2026

*To the Independent Shareholders*

Dear Sir or Madam,

**CONDITIONAL MANDATORY CASH OFFERS BY  
FIRST SHANGHAI SECURITIES LIMITED FOR AND ON BEHALF OF  
TANGDE GAS CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES  
IN CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.  
(OTHER THAN THOSE ALREADY OWNED BY OR AGREED  
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING  
IN CONCERT WITH IT)**

### INTRODUCTION

Reference is made to the Joint Announcement.

On 28 January 2026, the Vendor and the Offeror had entered into the Share Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase the Sale Shares, being an aggregate of 468,096,000 Shares, representing approximately 39.01% of the existing issued share capital of the CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD. (the “**Company**”) as at the date of the Joint Announcement. The total Consideration for the Sale Shares was US\$30,100,000.

The Share Purchase Completion took place on 10 February 2026. The Consideration was paid by the Offeror upon the Share Purchase Completion from its internal resources.

Following the Share Purchase Completion and as at the date of the Joint Announcement, the Offeror and parties acting in concert with it are interested in a total of 468,096,000 Shares, representing approximately 39.01% of the issued share capital of the Company. Accordingly, the Offeror was required to make the Offer pursuant to Rule 26.1 of the Takeovers Code.

This letter forms part of this Composite Document and sets out, amongst other things, the details of the Offer, certain information on the Offeror and the intention of the Offeror regarding the Company and its subsidiaries (the “**Group**”) following the close of the Offer. The terms of the Offer and the procedures for acceptances of the Offer are set out in this letter, Appendix I to this Composite Document and the Form of Acceptance.

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## LETTER FROM FIRST SHANGHAI

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The Independent Shareholders and potential investors are strongly advised to carefully consider the information contained in this Composite Document, including the “Letter from the Board”, “Letter from the Independent Board Committee” and “Letter from the Independent Financial Adviser” before reaching a decision as to whether or not to accept the Offer. If in doubt, they should consult their own professional advisers before reaching a decision as to whether or not to take any action in respect of the Offer.

### THE OFFER

First Shanghai, for and on behalf of the Offeror, hereby makes the Offer in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$0.626 in cash**

The Offer Price of HK\$0.626 per Offer Share is the sum of the Consideration under the Share Purchase Agreement and the special benefit of RMB50,671,500 under the Deed of Assignment at relevant exchange rates quoted by Bloomberg and the People’s Bank of China respectively at 10:00 a.m. on the date of the Joint Announcement divided by 468,096,000 Shares (i.e. the sum (US\$30,100,000 multiplied by an exchange rate of HK\$7.826 to US\$1 plus RMB50,671,000 multiplied by an exchange rate of HK\$1.134 to RMB1) divided by 468,096,000 Shares equals HK\$0.626).

The Offer is subject to the fulfillment of the Condition as set out under the paragraph headed “Condition to the Offer” in this letter.

The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights and interests attaching thereto, including all rights to any dividends or other distributions declared, made or paid on or after the date on which the Offer is made, being the date of the dispatch of this Composite Document.

As at the Latest Practicable Date, the Company has 1,200,000,000 Shares in issue, representing the entire issued share capital of the Company. The Offeror and parties acting in concert with it are interested in a total of 468,096,000 Shares, representing approximately 39.01% of the issued share capital of the Company. The Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares. There is no treasury Share in issue.

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## LETTER FROM FIRST SHANGHAI

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### **Irrevocable Undertaking and Deed of Warranty in respect of the Offer**

Following the Share Purchase Completion and as at the Latest Practicable Date, HK Huitang Zhihe continued to be interested in the 431,904,000 Shares, representing approximately 35.99% of the entire issued share capital of the Company. HK Huitang Zhihe had irrevocably and unconditionally undertaken to the Offeror by way of the Letter of Undertaking that (i) it shall not tender any of the Shares held by it for acceptance of the Offer; and (ii) it shall not transfer, pledge, dispose of or otherwise create any encumbrances in respect of any of the Shares held by it from the date of its undertaking until the close of the Offer. There is no circumstance whereby the Irrevocable Undertaking would cease to be binding.

HK Huitang Zhihe had also entered into the Deed of Warranty dated 28 January 2026 with the Offeror whereby it had given an irrevocable and unconditional warranty that (a) there was no outstanding options, warrants, derivatives or securities which were convertible or exchangeable into the Shares and the Company had not entered into, and would not enter into, any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into the Shares and (b) there was no, and there would be no, agreement or arrangement (i) to offer, allot, issue, create, redeem or repurchase (conditionally or unconditionally) any of the Shares; and/or (ii) which might otherwise affect the number of the Shares, among others, which should remain true, accurate and complete in all respects and not misleading as at the date of the Deed of Warranty, and would continue to be so on each day up to and including the date of the Share Purchase Completion.

Following the Share Purchase Completion, the Offeror and HK Huitang Zhihe, each owning more than 20% of the entire issued share capital of the Company, were presumed to be acting in concert with each other under class (1) of the presumptions of acting in concert under the Takeovers Code unless the contrary is established (the “**AIC Presumption**”).

The Offeror had, through its Hong Kong legal advisers, applied to the SFC for rebuttal of the AIC Presumption and the Executive has ruled that the AIC Presumption is rebutted. Accordingly, the Offeror and HK Huitang Zhihe are not presumed to be acting in concert with each other under class (1) of the definition of “acting in concert” under the Takeovers Code.

### **Condition to the Offer**

The Offer is conditional on the number of Shares in respect of valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the date on which the Offer close (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), together with the Shares already owned by the Offeror and parties acting in concert with it and acquired or agreed to be acquired before or during the Offer Period, resulting in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

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## LETTER FROM FIRST SHANGHAI

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This condition cannot be waived. If the condition cannot be fulfilled by the First Closing Date, the Offer will lapse unless extended.

Under the Takeovers Code, the Offeror will issue an announcement in relation to any revision, extension or lapse of the Offer or the fulfilment of the condition to the Offer in accordance with the Takeovers Code and the Listing Rules. **However, the Offeror does not intend to extend the Offer Period if the condition to the Offer is not met by the First Closing Date and the Offer shall then lapse.**

**The Offer may or may not become unconditional. Shareholders and investors of the Company should exercise caution when dealing in securities of the Company and if they are in any doubt about their position, they should consult their professional advisers.**

### Comparisons of value

The Offer Price of HK\$0.626 represents:

- (i) a discount of approximately 60.38% to the closing price of HK\$1.58 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 51.62% to the average closing price of approximately HK\$1.29 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 44.94% to the average closing price of approximately HK\$1.14 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 36.01% to the average closing price of approximately HK\$0.98 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 63.12% to the audited consolidated net asset value of the Group of approximately RMB1.50 per Share (equivalent to approximately HK\$1.70 per Share) as at 31 December 2025;
- (vi) a discount of approximately 61.47% to the unaudited consolidated net asset value of the Group of approximately RMB1.43 per Share (equivalent to approximately HK\$1.62 per Share) as at 30 June 2025.

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## LETTER FROM FIRST SHANGHAI

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### **Highest and lowest Share prices**

During the Relevant Period, the highest closing price of the Shares was HK\$1.75 per Share as quoted on the Stock Exchange on 16 March 2026 and the lowest closing price of the Shares was HK\$0.64 per Share as quoted on the Stock Exchange on 19 September 2025, 22 September 2025, 12 November 2025, 13 November 2025 and 14 November 2025.

### **Value of the Offer**

As at the date of the Joint Announcement, there are 1,200,000,000 Shares in issue. There is no treasury Share in issue. Based on the Offer Price of HK\$0.626 per Share, the entire issued share capital of the Company is valued at approximately HK\$751.2 million.

Excluding the Sale Shares acquired by the Offeror under the Share Purchase Agreement and on the basis that (i) there is no change in the issued share capital of the Company; and (ii) HK Huitang Zhihe has undertaken not to accept the Offer in respect of the 431,904,000 Non-acceptance Shares held by it, a total of 300,000,000 Shares will be subject to the Offer. Assuming the Offer is accepted in full, the maximum cash consideration payable by the Offeror under the Offer will be HK\$187.8 million.

### **Confirmation of financial resources**

The Offeror intends to finance the consideration payable and transaction costs under the Offer from its internal resources and external margin loan in the principal amount of not more than HK\$195,000,000 provided by First Shanghai. The Joint Financial Advisers to the Offeror are satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Offer.

The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) under the facility will depend to any significant extent on the business of the Company.

### **CLOSING OF THE OFFER**

In accordance with Rule 15.1 of the Takeovers Code, the Closing Date of the Offer will fall on or after the 21st day from the date of this Composite Document. Where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it shall remain open for acceptance for not less than fourteen (14) days thereafter. The Independent Shareholders are reminded that the Offeror does not have any obligations to keep the Offer open for acceptance beyond this minimum 14-days period.

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## LETTER FROM FIRST SHANGHAI

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The latest time on which the Offeror can declare the Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of this Composite Document (or such later date to which the Executive may consent). In accordance with Rule 15.3 of the Takeovers Code, the Offeror will publish an announcement when the Offer becomes unconditional as to acceptance and when the Offer becomes unconditional in all respects.

### **Effect of accepting the Offer**

By accepting the Offer, subject to the Offer becoming unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the Registrar, the Offer Shareholders will sell their tendered Shares to the Offeror free from all Encumbrance together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

### **Payment**

Payment in cash in respect of acceptances of the Offer, net of seller's Hong Kong ad valorem duty, will be made as soon as possible but in any event, no later than seven Business Days after the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid or the date on which the Offer becomes or is declared unconditional in all aspects, whichever is later.

No fraction of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

### **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Offer Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Offer Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Offer Shareholders accepting the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

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## LETTER FROM FIRST SHANGHAI

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### Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, the Joint Financial Advisers, First Shanghai, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer. All Independent Shareholders and/or beneficial owners of the Shares shall be solely responsible for their liabilities (including tax liabilities) in relation to the Offer.

### INFORMATION ON THE GROUP

Details of the information on the Group are set out in the “Letter from the Board” in this Composite Document. Financial and general information of the Group are set out in Appendix II “Financial Information of the Group” and Appendix IV “General Information of the Group” to this Composite Document, respectively.

### INFORMATION ON THE OFFEROR

The Offeror was incorporated in the BVI with limited liability on 25 August 2025. The Offeror is an investment holding company. The Offeror is wholly owned by Tianjin Tangde Technology Co., Ltd.\* (天津唐德科技有限公司) (“**Tianjin Tangde**”), a wholly-owned subsidiary of Beijing Tangde Qingneng Enterprise Management Consulting Co., Ltd.\* (北京唐德清能企業管理諮詢有限公司) (“**Beijing Tangde Qingneng**”) which is in turn wholly owned by Jiaxing Morewisdom Tangde Equity Investment Partnership (Limited Partnership)\* (嘉興摩予渡唐德股權投資合夥企業(有限合夥)) (“**Jiaxing Morewisdom**”).

The Offeror, Tianjin Tangde, Beijing Tangde Qingneng and Jiaxing Morewisdom were all incorporated or established in 2025 as investment vehicles for the Share Purchase. These four entities have no investment other than the Share Purchase. None of the four entities are engaged in actual business operations. They only have necessary personnel such as directors and finance, legal, and tax staff, with no employees involved in sales, production, or other operations.

Jiaxing Morewisdom is beneficially owned as to 78% by Sichuan Dingxiang Equity Investment Fund Co., Ltd.\* (四川鼎祥股權投資基金有限公司) (“**Sichuan Dingxiang**”), 10% by Yanran (Hainan) Investment Management Partnership (Limited Partnership)\* (研然(海南)投資管理合夥企業) (“**Yanran Investment**”), 10% by Hainan Zhongfang Energy Co., Ltd.\* (海南眾方能源有限公司) (“**Hainan Zhongfang**”) and 2% by Morewisdom (Shanghai) Private Equity Fund Management Co., Ltd.\* (摩予渡(上海)私募基金管理有限公司) (“**Morewisdom**”). Sichuan Dingxiang, Yanran Investment and Hainan Zhongfang are the limited partners of Jiaxing Morewisdom. Morewisdom is the general partner and fund manager of Jiaxing Morewisdom.

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## LETTER FROM FIRST SHANGHAI

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Sichuan Dingxiang is owned as to 80% by Mr. Song Jiajun (宋佳駿) and as to 20% by Ms. Song Binyang (宋玠陽).

Yanran Investment is owned as to 65% by Mr. Chen Yingliu (陳英柳) and as to 35% by Mr. Chen Tianyi (陳天易).

Hainan Zhongfang is wholly owned by Mr. Cao Zhen (曹震).

Morewisdom, incorporated on 20 January 2015, is registered as a “private equity and venture capital fund manager” (私募股權、創業投資基金管理人) with the Asset Management Association of China (中國證券投資基金業協會), engaging in funds investment, funds management, and post-investment projects management. Morewisdom is the general partner and fund manager of Jiaxing Morewisdom. Apart from Jiaxing Morewisdom, Morewisdom has also invested in and/or managed other six funds registered with the Asset Management Association of China (中國證券投資基金業協會), covering new materials and processes, mineral resources and modern agriculture industries/sectors. Morewisdom is owned as to 98% by Morewisdom (Hainan) Enterprise Management Consulting Partnership (Limited Partnership)\* (摩予渡(海南)企業管理諮詢合夥企業(有限合夥)) (“**Hainan Morewisdom**”) and as to 2% by Morewisdom (Hainan) Industrial Development Co., Ltd.\* (摩予渡(海南)實業發展有限公司) (“**Morewisdom (Hainan) Industrial**”).

Morewisdom (Hainan) Industrial is owned as to 54.55% by Mr. Li Jun (李軍), as to 36.36% by Mr. Cao Zhen (曹震) and as to 9.09% by Jiaxing Morewisdom Zhenheng Equity Investment Partnership (Limited Partnership)\* (嘉興摩予渡真恒股權投資合夥企業(有限合夥)) (“**Morewisdom Zhenheng**”).

Morewisdom Zhenheng is owned as to 85.72% by Chengde Disheng Metal Composite Materials Co., Ltd.\* (承德市帝聖金屬複合材料有限公司) (“**Chengde Disheng**”), as to 9.52% by Hainan Morewisdom and as to 4.76% by Morewisdom. Chengde Disheng is owned as to 96.78% by Hu Zhaoli (胡招李), as to 1.61% by Hu Zhaofo (胡招法) and as to 1.61% by Li Mingxia (李明霞).

Hainan Morewisdom is an investment holding vehicle, engaging solely investment activities. Hainan Morewisdom is owned as to 40% by Mr. Li Jun (李軍), as to 30% by Chengdu Yuanming Juyu Enterprise Management Partnership (General Partnership)\* (成都源銘聚裕企業管理合夥企業(普通合夥)) (“**Chengdu Yuanming Juyu**”), as to 20% by Tianjin Laiwei Materials Co., Ltd.\* (天津來巍物資有限公司) (“**Tianjin Laiwei**”) and as to 10% by Shanghai Jitailai Enterprise Management Consulting Partnership (Limited Partnership)\* (上海吉泰萊企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Jitailai**”). Mr. Li Jun and Chengdu Yuanming Juyu are the general partners of Hainan Morewisdom. Tianjin Laiwei and Shanghai Jitailai are the limited partners of Hainan Morewisdom.

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## LETTER FROM FIRST SHANGHAI

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Chengdu Yuanming Juyu is owned as to 80% by Mr. Song Jiajun (宋佳駿) and as to 20% by Ms. Song Binyang (宋玢陽). Both of Mr. Song Jiajun (宋佳駿) and Ms. Song Binyang (宋玢陽) are the general partners of Chengdu Yuanming Juyu.

Tianjin Laiwei is owned as to 90% by Mr. Liu Wei (劉巍) and as to 10% by Hainan Laiwei Technology Co., Ltd.\* (海南來巍科技有限公司) (“**Hainan Laiwei**”). Hainan Laiwei is owned as to 51% by Yao Yue Enterprise Management (Haikou) Co., Ltd.\* (耀玥企業管理(海口)有限公司) (“**Yao Yue**”) and 49% by Laiwei Investment (Hainan) Co., Ltd.\* (來巍投資(海南)有限公司) (“**Laiwei Investment**”). Both of Yao Yue and Laiwei Investment are owned as to 99% by Mr. Liu Wei (劉巍) and as to 1% by Mr. Chen Peng (陳鵬).

Shanghai Jitailai is owned as to 70% by Mr. Chen Tianyi (陳天易) and as to 30% by Li Yiduo (李翊多).

The Offeror has not engaged in any business activities since its date of incorporation apart from those disclosed in this Composite Document. Prior to the Share Purchase Completion, the Offeror did not have any assets other than the shareholder’s loan provided by its parent companies.

The Offeror, being the investment vehicle of a private equity fund with an investment period to be expired on 22 September 2031, will exit the investment into the Company before expiry of its investment period with a view to financial gain and will not cooperate with HK Huitang Zhihe in the business operation of the Group or to control the voting rights of the Company.

Mr. Li Jun (李軍) is the sole director of the Offeror. He participated in the integration of multiple steel enterprises, possessing deep knowledge in industrial energy industry. For his biographical information, please refer to the section headed “Proposed Change of the Composition of the Board” in this letter.

As at the Latest Practicable Date, the Offeror does not have any assets other than the Sale Shares, representing approximately 39.01% of the existing issues share capital of the Company.

### **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

Following the Share Purchase Completion, the Offeror becomes a controlling shareholder of the Company. The Offeror intends to continue the existing principal businesses of the Group. The Offeror has no intention to discontinue the employment of the employees (save for changes in the composition of the Board as disclosed in the section headed “Proposed Change of the Composition of the Board” below) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

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## LETTER FROM FIRST SHANGHAI

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The Offeror will, following the close of the Offer, conduct a review on the business activities/operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review and should suitable investment or business opportunities arise, the Offeror may explore other business opportunities for the Company which may involve acquisitions or investments in assets and/or businesses or cooperation with business partners of the Offeror with a view of enhancing the Group's business growth and asset base as well as broadening its income stream.

As of the Latest Practicable Date, the Offeror is considering supporting the Company's sales of high-purity rare gases (including helium, neon, krypton and xenon) to industry customers, to meet the growing demand for such products in related industries and seize the business opportunities arising from the trend of supply chain substitution in the PRC.

### **Assignments of Loans**

On 7 December 2020, RMB50,000,000 (“**Loan 1**”) was advanced by the Company to Aevitas Capital Management Limited pursuant to a loan agreement dated 30 November 2020 signed by the Company as lender and Aevitas Capital Management Limited as borrower, purporting to set out the terms for a loan of RMB50,000,000 from the Company to Aevitas Capital Management Limited at an interest rate of 2% per annum, repayable on 30 December 2020.

On 10 December 2020, RMB53,522,000 (“**Loan 2**”) was advanced by the Company to Orbitronic Global Development Co., Limited pursuant to a loan agreement dated 1 December 2020 signed by the Company as lender and Orbitronic Global Development Co., Limited as borrower, purporting to set out the terms for a loan of RMB53,522,000 from the Company to Orbitronic Global Development Co., Limited at an interest rate of 2% per annum, repayable on 30 December 2020.

On 10 December 2020, RMB14,478,000 (“**Loan 3**”) was advanced by the Company to Unite Victory International Trading Limited pursuant to a loan agreement dated 1 December 2020 signed by the Company as lender and Unite Victory International Trading Limited as borrower, purporting to set out the terms for a loan of RMB14,478,000 from the Company to Unite Victory International Trading Limited at an interest rate of 2% per annum, repayable on 30 December 2020.

Loan 1, Loan 2 and Loan 3 (collectively, the “**Loans**”) have been overdue for repayment and outstanding for almost 5 years since their respective maturity date (i.e. 30 December 2020), resulting in a loss to the Group as a result of written-off, without prejudice to the Group continuing to pursue against the relevant borrowers for repayment of the outstanding Loans and interests accrued thereon.

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## LETTER FROM FIRST SHANGHAI

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As part of its plan of investment into the Company and in order to improve the financial position of the Company, the Offeror, being the largest controlling shareholder of Company upon the Share Purchase Completion, had entered into the Assignments of Loans to acquire the Loans and interests accrued thereon from the Company at a consideration equal to the aggregate principal amount of the outstanding Loans (i.e. RMB118,000,000) from its own internal resources.

The main terms of the Assignments of Loans are as follows:

Assignor:	Company
Assignee:	Offeror
Consideration:	RMB118,000,000 (i.e. being the equivalent of the amount of the Loans) in total payable by the Offeror to the Company
Payment Date:	The completion date under the Assignments of Loans (i.e. a date within 7 days (or such other date as may be agreed in writing by both parties) after the fulfilment of the conditions precedent.)
Other Terms:	the conditions precedent for the completion of the Assignments of Loans include (a) obtaining approvals from relevant regulatory authorities; and (b) compliance with the requirements of relevant regulatory authorities, including obtaining approval from the independent Shareholders of the Company. Apart from the compliance with the Listing Rules in respect of a notifiable and connected transaction, the Offeror and the Company are not aware of any other regulatory approvals that are required.

The Assignments of Loans do not constitute a special deal under Rule 25 of the Takeovers Code. However, they constitute notifiable and connected transactions subject to reporting, annual review, announcement and independent Shareholders' approval requirements under the Listing Rules.

Details of the Assignments of Loans had been published in a separate announcement on 15 April 2026 as required under the Listing Rules. A circular containing, among other things, (i) further details of the Assignments of Loans; (ii) the letter from Independent Financial Advisor in which the Independent Financial Advisor provides advice and recommendation to the Independent Board Committee; (iii) recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a notice of the general meeting, will be dispatched by the Company to the Shareholders.

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## LETTER FROM FIRST SHANGHAI

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Save as disclosed above, as at the date of the Joint Announcement, the Offeror has no plan, and has not engaged in any discussion or negotiation, on any injection of any assets or businesses into the Group.

### PROPOSED CHANGE OF THE COMPOSITION OF THE BOARD

The Board is currently made up of seven Directors, comprising two executive Directors, being Mr. SONG Changjiang and Mr. SUN Changhuan; two non-executive Directors, being Ms. NG Shuk Ming and Mr. ZHANG Wenli and three independent non-executive Directors, being Mr. SIU Chi Hung, Mr. XIAO Huan Wei and Ms. LI Chun Elsy.

It is expected that the Offeror will require certain of the Directors to resign from the Board and the Offeror will nominate new Directors to the Board at the earliest time as permitted under the Takeovers Code. The Offeror and the Company do not foresee any negative impact on the Group's operation due to departure of any of the existing Directors after the Offer Period as most of the existing Directors will remain on the Board.

It is proposed that Mr. Li Jun and Mr. SONG Jiajun will be appointed as Directors following the despatch of the Composite Document; and Mr. CHEN Tianyi will be appointed as a Director following the close of the Offer. In addition, Mr. SONG Jiajun will be further appointed as the chairman of the Board, subject to the approval of the Company's nomination committee and remuneration committee. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and a separate announcement will be made in this regard as and when appropriate. Set out below are the biographical details of the above-mentioned nominees for appointment as executive Directors. Further details required by Rule 13.51(2) of the Listing Rules will be announced after the appointment takes effect:

#### Mr. LI Jun (李軍)

Mr. Li Jun, aged 48, holds a Ph.D. in Engineering from Tsinghua University and possesses 16 years of experience in strategic planning and large-scale mergers and acquisitions. He is one of the founders and CEO of Morewisdom. Mr. Li was a Senior Investment Review Manager at the Planning & Development Department (規劃發展部投資審查高級經理) from May 2009 to December 2012 and a Deputy General Manager at the Capital Operations Department (資本運營部副總經理) from March 2016 to November 2016 in Baosteel Group Corporation Limited\* (寶鋼集團有限公司) (now known as China Baowu Steel Group Corporation Limited\* (中國寶武鋼鐵集團有限公司)) and a Deputy General Manager at the Investment Management Department (投資管理部副總經理) from December 2016 to July 2017 in China Baowu Steel Group Corporation Limited\* (中國寶武鋼鐵集團有限公司). Mr. Li has been serving as an independent director of Xinyu Iron and Steel Co., Ltd.\* (新餘鋼鐵股份有限公司) (a company listed on the Shanghai Stock Exchange, Stock Code: 600782) since 25 June 2025. He participated in the integration of multiple steel enterprises, possessing deep knowledge in industrial energy industry.

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## LETTER FROM FIRST SHANGHAI

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Mr. Li is a general partner of Hainan Morewisdom and owns 40% of the interests thereof. Hainan Morewisdom owns 98% of the interest in Morewisdom. And, Morewisdom is the general partner and fund manager of Jiaxing Morewisdom, and owns 2% of the interests thereof. The Offeror is indirectly wholly-owned by Jiaxing Morewisdom.

Save as disclosed above, Mr. Li (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of the Joint Announcement and by virtue of the SFO, Mr. Li is deemed to be interested in 468,096,000 Shares, representing approximately 39.01% of the issued share capital of the Company.

Save as disclosed in this announcement, there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there other matters relating to the appointment of Mr. Li that needs to be brought to the attention of the shareholders of the Company.

### **Mr. SONG Jiajun (宋佳駿)**

Mr. SONG Jiajun, aged 31, holds a bachelor's degree in hospitality management from the University of Nevada, Las Vegas. He is one of the founders of Morewisdom and the controlling shareholder of Sichuan Dingxiang.

Save as disclosed above, Mr. Song (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

Mr. Song owns 80% of registered capital of Sichuan Dingxiang. Sichuan Dingxiang owns 78% of the interests in Jiaxing Morewisdom. And, Mr. Song also owns 80% of the interests in Chengdu Yuanming Juyu and is a general partner thereof. Chengdu Yuanming Juyu owns 30% of the interest in Hainan Morewisdom and is a general partner thereof. Hainan Morewisdom owns 98% of registered capital of Morewisdom, while Morewisdom owns 2% of the interests in Jiaxing Morewisdom and is the general partner thereof. The Offeror is indirectly wholly-owned by Jiaxing Morewisdom.

As at the date of the Joint Announcement and by virtue of the SFO, Mr. Song is deemed to be interested in 468,096,000 Shares, representing approximately 39.01% of the issued share capital of the Company.

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## LETTER FROM FIRST SHANGHAI

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Save as disclosed in this announcement, there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there other matters relating to the appointment of Mr. Song that needs to be brought to the attention of the shareholders of the Company.

### **Mr. CHEN Tianyi (陳天易)**

Mr. CHEN Tianyi, aged 37, holds a Master's degree in Electrical Engineering from Columbia University and possesses nearly 10 years of experience in technology and investment. He is one of the founders of Morewisdom and an executive partner of Yanran Investment. Previously, Mr. Chen was an Application Engineer at Silicon Valley-based ALTA DEVICES (a leading thin-film solar technology company) from May 2016 to September 2019 and a Senior Application Engineer at Glydways, Inc. (an autonomous driving technology company) from November 2019 to August 2021. He returned to China in 2021 to establish a dual-currency cross-border investment platform with a focus on venture capital, secondary funds and mergers & acquisitions funds. Mr. Chen has strong technical background and cross-border multi-strategy investment experience.

Save as disclosed above, Mr. Chen (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of the Joint Announcement, Mr. Chen does not have and is not deemed to have any interest in the shares, underlying shares or debentures of the Company and/or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed in this announcement, there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there other matters relating to the appointment of Mr. Chen that needs to be brought to the attention of the shareholders of the Company.

### **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer and does not intend to avail itself of any power of compulsory acquisition.

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## LETTER FROM FIRST SHANGHAI

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The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 13.32B of the Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offer in accordance with Rule 13.33 of the Listing Rules. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offer. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to independent placees or in the market. No arrangements had been confirmed or put in place as at the Latest Practicable Date.

The Stock Exchange has stated that:

(a) if, at the close of the offer, the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- an orderly market does not exist or may not exist;

it will consider exercising its discretion to suspend dealings in the Shares; and

(b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall (as defined in rule 13.32F of the Listing Rules), then:

- the Stock Exchange will add a designated marker to the stock name of the listed Shares; and
- the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with rule 13.32B of the Listing Rules at the earliest possible moment.

### **IMPORTANT NOTE TO OVERSEAS SHAREHOLDERS**

The Offeror intends to make the Offer available to all independent Offer Shareholders, including the Overseas Shareholders. However, the Offer is in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirement of Hong Kong which may be different from other jurisdictions.

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## LETTER FROM FIRST SHANGHAI

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The availability of the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to the Overseas Shareholders may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice.

This Composite Document will be sent to all the Independent Shareholders, including those with registered addresses, as shown in the register of members of the Company, outside Hong Kong. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Any acceptance by Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Shareholders should consult their respective professional advisers if in doubt. Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

As at the Latest Practicable Date, there was a Shareholder with registered address in the PRC according to the register of members of the Company. The Offeror has been advised by its legal adviser as to PRC law that this Composite Document and the accompanying Form of Acceptance may be forwarded to such Overseas Shareholder pursuant to local laws and regulations.

### **Notice to Offer Shareholder(s)**

If the failure of the service of this Composite Document is attributed to you (including but not limited to such scenarios that you, being the holder of the Shares, have provided the wrong consignee information, or refuse to receive the Composite Document, or cannot be located etc.), then the Composite Document will be deemed to have been served, and you shall be responsible for the risks and consequences.

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## LETTER FROM FIRST SHANGHAI

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### GENERAL

To ensure equality of treatment to all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

All communications, notices, Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror and parties acting in concert with it, the Joint Financial Advisers, First Shanghai, the Company, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any liability for any loss or delay in postage or any other liabilities whatsoever which may arise as a result thereof. Further details in respect of the procedures for acceptance of the Offer are set out in Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document.

### WARNING

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares, and if they are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information relating to the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. In addition, you are reminded to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” set out in this Composite Document and to consult your professional advisers as you see fit, before deciding whether or not to accept the Offer.

Yours faithfully,  
**First Shanghai Securities Limited**  
**YIP Chi Ho**  
*Director*

*Mr. YIP Chi Ho is a responsible officer registered under the SFO to carry out Type 1 (dealing in securities) regulated activity for First Shanghai Securities Limited.*

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## LETTER FROM THE BOARD

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### **CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01940)**

*Executive Directors:*

Mr. SONG Changjiang (*Chairman*)

Mr. SUN Changhuan

*Non-executive Directors:*

Mr. ZHANG Wenli

Ms. NG Shuk Ming

*Registered office:*

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent Non-executive Directors:*

Mr. SIU Chi Hung

Mr. XIAO Huan Wei

Ms. LI Chun Elsy

*Head office and principal place of*

*business in Hong Kong:*

Unit 2704A, 27th Floor

Nine Queen's Road Central

9 Queen's Road Central

Hong Kong

4 May 2026

*To the Independent Shareholders*

Dear Sir or Madam,

**CONDITIONAL MANDATORY CASH OFFERS BY  
FIRST SHANGHAI SECURITIES LIMITED FOR AND ON BEHALF OF  
TANGDE GAS CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES  
OF  
CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.  
(OTHER THAN THOSE ALREADY OWNED BY OR AGREED  
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING  
IN CONCERT WITH IT)**

#### **INTRODUCTION**

**Reference is made to the Joint Announcement.**

On 28 January 2026, the Vendor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase, in aggregate, 468,096,000 Sale Shares, representing approximately 39.01% of the existing issued share capital of the Company as at the date of the Joint Announcement. The total Consideration for the Sale Shares was US\$30,100,000.

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## LETTER FROM THE BOARD

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The Share Purchase Completion took place on 10 February 2026. The Consideration was paid by the Offeror upon the Share Purchase Completion from its internal resources.

Following the Share Purchase Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in a total of 468,096,000 Shares, representing approximately 39.01% of the issued share capital of the Company.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group, the Offeror and the Offer; (ii) the letter from First Shanghai containing details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer, in particular, as to whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and as to acceptance of the Offer.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising Mr. ZHANG Wenli, being the only non-executive Director who has no direct or indirect interest in the Offer, and all independent non-executive Directors including Mr. SIU Chi Hung, Mr. XIAO Huan Wei and Ms. LI Chun Elsy, has been established by the Company to advise the Offer Shareholders in respect of the Offer, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Ms. NG Shuk Ming, being a non-executive Director and a principal at CITP Advisors (Hong Kong) Ltd., is not considered to be independent in respect of the Offer. CITP Advisors (Hong Kong) Ltd. is an investment management company that provides consulting services to CITP GP I Ltd., being the general partner of China Infrastructure Partners, L.P.. China Infrastructure Partners, L.P. is the ultimate shareholder of the Vendor, which indirectly holds 100% interests in the Vendor. Ms. NG Shuk Ming, through the Vendor, has certain direct interest in the Share Purchase and the Share Purchase Completion is the trigger for the Offer. Ms. NG Shuk Ming therefore has an indirect interest in the Offer. As such, Ms. NG Shuk Ming is excluded from being a member of the Independent Board Committee.

Nuada Limited has been appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

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## LETTER FROM THE BOARD

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The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in this Composite Document. **You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

### PRINCIPAL TERMS OF THE OFFER

First Shanghai is making the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$0.626 in cash**

The Offer Price of HK\$0.626 per Offer Share is the sum of the Consideration under the Share Purchase Agreement and the special benefit of RMB50,671,500 under the Deed of Assignment at relevant exchange rates quoted by Bloomberg and the People's Bank of China respectively at 10:00 a.m. on the date of the Joint Announcement divided by 468,096,000 Sale Shares (i.e. the sum (US\$30,100,000 multiplied by an exchange rate of HK\$7.826 to US\$1 plus RMB50,671,000 multiplied by an exchange rate of HK\$1.134 to RMB1) divided by 468,096,000 Sales Shares equals HK\$0.626).

The Offer is subject to the fulfillment of the Condition as set out under the paragraph headed "Condition to the Offer" in this letter.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document. Save for the outstanding dividend in the sum of RMB50,671,500 declared for the financial years ended 31 December 2018 and 2019 but not yet paid to the Vendor which is the subject of the Deed of Assignment, the Company has confirmed that as at the Latest Practicable Date: (i) it has not declared any dividend and/or other distribution and/or other return of capital which remains unpaid; and (ii) it does not intend to declare, make or pay any dividend and/or other distribution and/or other return of capital before the closing or lapse of the Offer (whichever is earlier).

As at the Latest Practicable Date, the Company has 1,200,000,000 Shares in issue. The Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date. There is no treasury Share in issue.

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## LETTER FROM THE BOARD

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### **Irrevocable and unconditional undertaking not to accept the Offer**

Following the Share Purchase Completion, HK Huitang Zhihe continues to be interested in the 431,904,000 Shares, representing approximately 35.99% of the entire issued share capital of the Company. HK Huitang Zhihe has irrevocably and unconditionally undertaken to the Offeror by way of the Letter of Undertaking that (i) it shall not tender any of the Shares held by it for acceptance of the Offer; and (ii) it shall not transfer, pledge, dispose of or otherwise create any encumbrances in respect of any of the Shares held by it from the date of its undertaking until the close of the Offer. There is no circumstance whereby the irrevocable undertaking would cease to be binding.

HK Huitang Zhihe had also entered into the Deed of Warranty dated 28 January 2026 with the Offeror whereby it had given an irrevocable and unconditional warranty that (a) there was no outstanding options, warrants, derivatives or securities which were convertible or exchangeable into the Shares and the Company had not entered into, and would not enter into, any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into the Shares and (b) there was no, and there would be no, agreement or arrangement (i) to offer, allot, issue, create, redeem or repurchase (conditionally or unconditionally) any of the Shares; and/or (ii) which might otherwise affect the number of the Shares, among others, which should remain true, accurate and complete in all respects and not misleading as at the date of the Deed of Warranty, and would continue to be so on each day up to and including the date of the Share Purchase Completion.

Following the Share Purchase Completion, the Offeror and HK Huitang Zhihe, each owning more than 20% of the entire issued share capital of the Company, are presumed to be acting in concert with each other under class (1) of the presumptions of acting in concert under the Takeovers Code unless the contrary is established (the “**AIC Presumption**”).

The Offeror has, through its Hong Kong legal advisers, applied to the SFC for rebuttal of the AIC Presumption and the Executive has ruled that the AIC Presumption is rebutted. Accordingly, the Offeror and HK Huitang Zhihe are not presumed to be acting in concert with each other under class (1) of the definition of “acting in concert” under the Takeovers Code.

### **Condition to the Offer**

The Offer is conditional on the number of Shares in respect of valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the date on which the Offer close (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), together with the Shares already owned by the Offeror and parties acting in concert with it and acquired or agreed to be acquired before or during the offer period, resulting in the Offeror and parties acting in concert with it holding in aggregate more than 50% of the voting rights of the Company.

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## LETTER FROM THE BOARD

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This condition cannot be waived. If the condition cannot be fulfilled by the First Closing Date, the Offer will lapse unless extended.

In accordance with Rule 15.1 of the Takeovers Code, the Offer will initially be open for acceptance for at least 21 days after the date of the Composite Document. Where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it shall remain open for acceptance for not less than 14 days thereafter.

Under the Takeovers Code, the Offeror will issue an announcement in relation to any revision, extension or lapse of the Offer or the fulfilment of the condition to the Offer in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of the Composite Document (or such later date to which the Executive may consent). **However, the Offeror does not intend to extend the offer period if the condition to the Offer is not met by the first closing date and the Offer shall then lapse.**

### **Further Details of the Offer**

Further details of the Offer, including, among other things, its extension to the Overseas Shareholder(s), information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period can be found in the “Letter from First Shanghai” and Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

### **INFORMATION ON THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the business of production and supply of industrial gases in the PRC.

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## LETTER FROM THE BOARD

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Set out below is certain financial information from the audited consolidated results of the Group for each of the two financial years ended 31 December 2025 and 2024, as extracted from the annual report of the Company for the year ended 31 December 2025.

	For the year ended or as at 31 December	
	2025 RMB (audited)	2024 RMB (audited)
Revenue	1,529,116,494	1,313,611,769
Gross profit	378,951,889	315,246,834
Profit before income tax	201,787,813	159,453,279
Profit after income tax	156,266,337	130,046,644
Net assets	1,796,221,035	1,643,904,226

Further financial information and general information in relation to the Group are set out in Appendix II “Financial Information of the Group” and Appendix IV “General Information of the Group” to this Composite Document.

In deciding whether or not to accept the Offer, the Independent Shareholders should consider the qualified opinion issued by the independent auditors of the Company on the consolidated financial statements of the Group for the year ended 31 December 2023.

The following is an extract of the independent auditor’s report on the Group’s financial statements for the years ended 31 December 2023:

### **“Qualified opinion**

*In our opinion, except for the possible effect of the matters described in the “Basis for Qualified Opinion” section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.*

### **Basis for Qualified Opinion**

*On 30 November 2020 and 1 December 2020, the Company entered into three loan agreements with Company A, Company B and Company C (collectively “the Borrowers”) with principal amounts of RMB50,000,000, RMB53,522,000 and RMB14,478,000 respectively (the “Loan Agreements”). On 7 December 2020 and 10 December 2020, the Company transferred the funds as stipulated in the Loan Agreements to the Borrowers.*

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## LETTER FROM THE BOARD

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Pursuant to the Loan Agreements, the loans were interest bearing at 2% per annum and the principal amounts would mature on 30 December 2020. The principal amounts and the interests thereon would become repayable on 30 December 2020 (hereinafter referred to as the “**Loan Transactions**”). The Company accounted for the transfers of funds to the Borrowers as loan receivables in the consolidated financial statements for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

The loan receivables (“**Loan Receivables**”) were measured at amortised cost. As at 31 December 2020, 2021 and 2022, repayment of the principal balances and interests thereon under the Loan Agreements were overdue. Repayments of these balances remained outstanding up to the date of this report. The board of directors of the Company (the “**Board**”) determined that full loss allowance of the outstanding principal balances of RMB118,000,000 in aggregate should be provided. Accordingly, a loss allowance of RMB118,000,000 was recognised in the consolidated statement of comprehensive income for the year ended 31 December 2020. The resultant amortised costs of the Loan Receivables became RMBNil as at 31 December 2020 and these amounts were brought forward to 31 December 2021. During the year ended 31 December 2022, the Board determined that there is no reasonable expectation of recovering the Loan Receivables and fully wrote off the Loan Receivables. Details of the writeoff are disclosed in Note 23 in the consolidated financial statements for the year ended 31 December 2023.

On 18 January 2021, the Company entered into a loan note agreement with Company D (the “**Loan Note Agreement**”). Pursuant to the Loan Note Agreement, the Company agreed to provide Company D with a loan of principal amount of HK\$80,000,000 (approximately RMB66,400,000). The loan was interest bearing at 4.5% per annum. Both the principal amount and the interests thereon would become repayable on 17 December 2021. On 28 January 2021, the Company transferred the principal amount as stipulated in the Loan Note Agreement (hereinafter referred to as the “**Note Investment**”) to Company D. The Company accounted for the transfers of funds to the Company D as note investment in the consolidated financial statements for the years ended 31 December 2021 and 31 December 2022.

The Note Investment was measured at amortised cost. As at 31 December 2021 and 31 December 2022, repayment of the principal balance and interests thereon under the Loan Note Agreement was overdue. Repayments of this balance remained outstanding up to the date of this report. During the year ended 31 December 2021, the Board determined that full loss allowance of the outstanding principal balance of RMB66,400,000 in aggregate should be provided. Accordingly, a loss allowance of RMB66,400,000 was recognised in the consolidated statement of comprehensive income for the year ended 31 December 2021. The resultant amortised cost of the Note Investment became RMBNil as at 31 December 2021. During the year ended 31 December 2022, the Board determined that there is no

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## LETTER FROM THE BOARD

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reasonable expectation of recovering the Note Investment and fully wrote off the Note Investment. Details of the write-off are disclosed in Note 24 in the consolidated financial statements for the year ended 31 December 2023.

Since our audit of the consolidated financial statements for the year ended 31 December 2020, we have obtained knowledge relating to the Loan Transactions and the Note Investment (“**our Knowledge**”) including:

- (i) the Group engaged in the production and supply of industrial gases. The Loan Transactions and the Note Investment are transactions outside the normal course of business of the Group;
- (ii) the Loan Transactions and the Note Investment were approved by the ex-Chairman of the Board (the “**ex-Chairman**”) who was also an executive director of the Company (being removed as the Chairman of the Board and the executive director on 3 May 2022 and 5 May 2022 respectively). According to the Company’s internal control policies and procedures, due to the amounts of the Loan Transactions and the Note Investment, the Loan Transactions and the Note Investment should have been approved by the Board;
- (iii) the Company had not performed background check and due diligence on the Borrowers and Company D before entering into the Loan Transactions and the Note Investment;
- (iv) the Company had set aside funds in a bank account for distributions to its shareholders to settle the dividends payable to them. To change the use of these designed funds would need the approval by the Board. Without prior approval by the Board, the ex-Chairman instructed the transfer of these designated funds to the Borrowers and Company D to fulfil the Company’s commitment in the Loan Agreements and the Loan Note Agreement; and
- (v) as at the date of this report, there were no repayments from the Borrowers and the balance due from Company D was outstanding.

### **Scope limitation on our work to ascertain the nature of the Loan Transactions and the Note Investment**

Given our Knowledge obtained in the audit relating to the Loan Transactions and the Note Investment, we have concerns about the commercial substance and business rationale of these transactions, and whether it is appropriate to recognise the Loan Transactions as the Group’s Loan Receivables and the Note Investment as the Group’s Note Investment in the consolidated financial statements. We have communicated our concerns to the Board and requested explanations from the Board on how our concerns have been considered in their determination that the Loan Transactions were recognised as Loan Receivables of the

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## LETTER FROM THE BOARD

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*Group and the Note Investment was recognised as the Group's Note Investment in the consolidated financial statements. However, we have not received explanations from the Board that would satisfy ourselves as to the commercial substance and business rationale of the Loan Transactions and the Note Investment. There were no alternative audit procedures that we could perform to satisfy ourselves on the above concerns.*

*We modified our audit opinion on the Group's consolidated financial statements for the year ended 31 December 2022 because we were unable to conclude whether the write-offs on the Loan Receivables and the Note Investment recognised during the year ended 31 December 2022 which arose from the limitations on the scope of our work to ascertain the nature of the Loan Transactions and the Note Investment are free from material misstatement. Any adjustment that might be found necessary would have a consequential impact on the financial performance for the year ended 31 December 2022, the financial position as at 1 January 2022 and the disclosures thereof in the consolidated financial statements for the year ended 31 December 2022. Our opinion on the Group's consolidated financial statements for the year ended 31 December 2023 is modified because of the possible effects of the above matter on the comparability of the current year's figures and the corresponding figures for the year ended 31 December 2022 in the consolidated statement of comprehensive income.*

*We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (the "Code") issued by HKICPA, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion."*

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of the Independent Shareholder to the qualified opinion issued by Auditor on the consolidated financial statements of the Group for the year ended 31 December 2023.

The Auditor's opinion on the Group's consolidated financial statements for the year ended 31 December 2023 was modified because of the possible effects of the above matter on the comparability of the figures for the year ended 31 December 2023 and the corresponding figures for the year ended 31 December 2022 in the consolidated statement of comprehensive income.

As disclosed in the Company's announcement dated 15 April 2026, the Company (as assignor) had entered into the Assignment of Loans with the Offeror (as assignee) of even date, whereby all the interests and ancillary benefits in (i) the Loans together with (ii) the interests accrued thereon were assigned to the Offeror at the total consideration of RMB118,000,000, subject to approval of the independent Shareholders of the Company.

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## LETTER FROM THE BOARD

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The management is of the view that since the Auditor did not issue any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern in respect of the Group’s audited consolidated financial statements for each of the two financial years ended 31 December 2024 and 2025, there was also no material change in accounting policies applicable to the three years ended 31 December 2023, 2024 and 2025 which rendered the financial figures not comparable to a material extent. Based on the foregoing, the Board considers that the qualified opinion issued by the Auditor on the Group’s financial statements for the year ended 31 December 2023 would not have any material implication on the Offer.

For further information, please refer to the section headed “Financial information of the Group” under the “Letter from the Independent Financial Adviser” in this Composite Document.

### SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately before the Share Purchase Completion; and (ii) immediately after the Share Purchase Completion, as at the Latest Practicable Date and before the Offer is made:

Name of Shareholder	Immediately before the Share Purchase Completion		Immediately after the Share Purchase Completion, as at the Latest Practicable Date and before the Offer is made	
	<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>Approx. %</i>	<i>Shares</i>	<i>Approx. %</i>
The Vendor <i>(Note 1)</i>	468,096,000	39.01	–	–
HK Huitang Zhihe <i>(Note 2)</i>	431,904,000	35.99	431,904,000	35.99
The Offeror	–	–	468,096,000	39.01
Parties acting in concert with the Offeror <i>(Note 3)</i>	–	–	–	–
Public Shareholders	<u>300,000,000</u>	<u>25.00</u>	<u>300,000,000</u>	<u>25.00</u>
	<u>1,200,000,000</u>	<u>100.00</u>	<u>1,200,000,000</u>	<u>100.00</u>

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## LETTER FROM THE BOARD

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*Notes:*

- (1) The Vendor is majority-owned by Huang He which is wholly-owned by China Infrastructure Partners, L.P., whose general partner is CITP GP I Ltd., 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 of the Stock Exchange (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.
- (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 HBIS Chengsteel, HBIS Hansteel and HBIS Tangsteel as to approximately 4.28%, 41.29% and 19.30%, 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 64.87% equity interest in HBIS Company. By virtue of the SFO, each of SH Huitang Zhihe, HBIS Company, HBIS Hansteel and HBIS was deemed to be interested in the same number of Shares held by HK Huitang Zhihe.
- (3) Following the Share Purchase Completion, HK Huitang Zhihe and the Offeror are presumed to be acting in concert under class (1) of the presumptions of acting in concert under the Takeovers Code. The Offeror has, through its Hong Kong legal advisers, applied to the SFC for rebuttal of the AIC Presumption and the Executive has ruled that the AIC Presumption is rebutted. Accordingly, the Offeror and HK Huitang Zhihe are not presumed to be acting in concert with each other under class (1) of the definition of “acting in concert” under the Takeovers Code.
- (4) No Director holds any Share.
- (5) Shareholding percentages may not add up to 100% due to roundings.

### **INFORMATION ON THE OFFEROR**

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from First Shanghai” and Appendix III “General Information of the Offeror” to this Composite Document.

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## LETTER FROM THE BOARD

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### INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in the “Letter from First Shanghai” to this Composite Document and the following disclosure as extracted therefrom:

*“Following the Share Purchase Completion, the Offeror becomes a controlling shareholder of the Company. The Offeror intends to continue the existing principal businesses of the Group. The Offeror has no intention to discontinue the employment of the employees (save for changes in the composition of the Board as disclosed in the section headed “Proposed change of Board Composition” below) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.*

*The Offeror will, following the close of the Offer, conduct a review on the business activities/operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review and should suitable investment or business opportunities arise, the Offeror may explore other business opportunities for the Company which may involve acquisitions or investments in assets and/or businesses or cooperation with business partners of the Offeror with a view of enhancing the Group’s business growth and asset base as well as broadening its income stream.”*

The Board has noted the intentions of the Offeror in respect of the Group and its employees and will render cooperation and support to the Offeror.

### Public Float and Maintaining the Listing Status of the Company

As stated in the “Letter from First Shanghai”, the Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer and does not intend to avail itself of any power of compulsory acquisition.

The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 13.32B of the Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offer in accordance with Rule 13.33 of the Listing Rules. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offer. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to independent places or in the market. No arrangements had been confirmed or put in place as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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The Stock Exchange has stated that:

- (a) if, at the close of the offer, the Stock Exchange believes that:
- a false market exists or may exist in the trading of the Shares; or
  - an orderly market does not exist or may not exist;
- it will consider exercising its discretion to suspend dealings in the Shares; and
- (b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall (as defined in rule 13.32F of the Listing Rules), then:
- the Stock Exchange will add a designated marker to the stock name of the listed Shares; and
  - the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with rule 13.32B of the Listing Rules at the earliest possible moment.

### RECOMMENDATION

Your attention is drawn to (i) "Letter from First Shanghai" as set out on pages 14 to 30 of this Composite Document, (ii) "Letter from the Independent Board Committee" as set out on pages 45 to 46 to this Composite Document, which contains its advice and recommendation to the Independent Shareholders in respect of the Offer and (iii) "Letter from the Independent Financial Adviser" as set out on pages 47 to 83 of this Composite Document, which contains, among other things, its advice to the Independent Board Committee in relation to the Offer and the principal factors considered by it before arriving at its recommendation.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I "Further Terms and Procedures for Acceptance of the Offer" to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

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**LETTER FROM THE BOARD**

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In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,

By order of the Board

**CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.**

**SONG Changjiang**

*Chairman and Executive Director*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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**CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01940)**

4 May 2026

*To the Independent Shareholders*

Dear Sir or Madam,

**CONDITIONAL MANDATORY CASH OFFERS BY  
FIRST SHANGHAI SECURITIES LIMITED FOR AND  
ON BEHALF OF TANGDE GAS CO., LIMITED TO ACQUIRE ALL  
THE ISSUED SHARES IN  
CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.  
(OTHER THAN THOSE ALREADY OWNED BY OR AGREED  
TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING  
IN CONCERT WITH IT)**

**INTRODUCTION**

We refer to the Composite Document dated 4 May 2026 jointly issued by the Company and the Offeror in relation to, among other things, the Offer, of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as given to them in this Composite Document.

We have been appointed by the Board as the Independent Board Committee to make a recommendation to the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and make recommendation in respect of acceptance thereof.

Nuada Limited, being the Independent Financial Adviser, has been appointed by the Company with our approval, to advise us in respect of the Offer and, in particular, as to whether the Offer is or is not fair and reasonable and to make recommendation in respect of acceptance thereof pursuant to Rule 2.1 of the Takeovers Code. Details of its advice and recommendation, together with the principal factors and reasons which it has considered before arriving at such recommendation, are set out in the “Letter from the Independent Financial Adviser” as contained in this Composite Document.

We also wish to draw your attention to the “Letter from First Shanghai”, the “Letter from the Board” and the additional information set out in the appendices to this Composite Document.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### RECOMMENDATION

Having considered the terms of the Offer and having taken into account the advice and recommendation of the Independent Financial Adviser and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the Offer is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders not to accept the Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to accept the Offer or to hold your investment in the Shares is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,

For and on behalf of the Independent Board Committee of

### CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.

**Mr. ZHANG Wenli      Mr. SIU Chi Hung      Mr. XIAO Huan Wei      Ms. LI Chun Elsy**

*Non-executive  
Director*

*Independent non-  
executive Director*

*Independent non-  
executive Director*

*Independent non-  
executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from the Independent Financial Adviser setting out its advice to the Independent Board Committee prepared in respect of the Offer, which has been prepared for the purpose of incorporation in this Composite Document.*

### 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

4 May 2026

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

Dear Sir or Madam,

**CONDITIONAL MANDATORY CASH OFFER BY  
FIRST SHANGHAI SECURITIES LIMITED  
FOR AND ON BEHALF OF THE OFFEROR TO  
ACQUIRE ALL THE ISSUED SHARES IN  
CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD.  
(OTHER THAN THOSE ALREADY OWNED BY OR  
AGREED TO BE ACQUIRED BY THE OFFEROR AND  
PARTIES ACTING IN CONCERT WITH IT)**

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, details of which are set out in the Composite Document dated 4 May 2026 jointly issued by the Company and the Offeror to the Offer 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 the Composite Document unless the context requires otherwise.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Board was informed by the Offeror that on 28 January 2026, the Vendor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase, in aggregate, 468,096,000 Sale Shares, representing approximately 39.01% of the existing issued share capital of the Company as at the date of the Joint Announcement. The total Consideration for the Sale Shares was US\$30,100,000.

The Share Purchase Completion took place on 10 February 2026. The Consideration was paid by the Offeror upon the Share Purchase Completion from its internal resources.

Following the Share Purchase Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in a total of 468,096,000 Shares, representing approximately 39.01% of the issued share capital of the Company.

Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a conditional mandatory cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with any of them).

On 14 January 2026, the Vendor as the assignor entered into the Deed of Assignment with the Offeror as the assignee for the assignment of Receivables to the Offeror in the amount of RMB50,671,500.

The Receivables were the dividends owed by the Company to the Vendor. Having entered into the Deed of Assignment, the Offeror paid to the Vendor an amount equivalent to the Receivables and consequently became entitled to claim the Receivable from the Company.

The assignment of Receivables constitutes a special deal under Rule 25 of the Takeovers Code. The Offeror will extend the special benefit under the Deed of Assignment to Offer Shareholders by paying an additional Offer price adjustment equivalent to the special benefit of RMB50,671,500 under the Deed of Assignment at an exchange rate of HK\$1.134 to RMB1 quoted by the People's Bank of China on the date of the Joint Announcement divided by 468,096,000 Sale Shares, which will form part of the Offer Price.

First Shanghai, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares:

**For each Offer Share . . . . . HK\$0.626 in cash**

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Offer Price of HK\$0.626 per Offer Share is the sum of the Consideration under the Share Purchase Agreement and the special benefit of RMB50,671,500 under the Deed of Assignment at relevant exchange rates quoted by Bloomberg and the People's Bank of China respectively at 10:00 a.m. on the date of the Joint Announcement divided by 468,096,000 Sale Shares (i.e. the sum (US\$30,100,000 multiplied by an exchange rate of HK\$7.826 to US\$1 plus RMB50,671,000 multiplied by an exchange rate of HK\$1.134 to RMB1) divided by 468,096,000 Sale Shares equals HK\$0.626).

The Independent Board Committee comprising Mr. ZHANG Wenli, being the only non-executive Director who has no direct or indirect interest in the Offer, and all independent non-executive Directors including Mr. SIU Chi Hung, Mr. XIAO Huan Wei and Ms. LI Chun Elsy, has been established by the Company pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code to advise the Offer Shareholders in respect of the Offer, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Ms. NG Shuk Ming, being a non-executive Director and a principal at CITP Advisors (Hong Kong) Ltd., is not considered to be independent in respect of the Offer. CITP Advisors (Hong Kong) Ltd. is an investment management company that provides consulting services to CITP GP I Ltd., being the general partner of China Infrastructure Partners, L.P.. China Infrastructure Partners, L.P. is the ultimate shareholder of the Vendor, which indirectly holds 100% interests in the Vendor. Ms. NG Shuk Ming, through the Vendor, has certain direct interest in the Share Purchase and the Share Purchase Completion is the trigger for the Offer. Ms. NG Shuk Ming therefore has an indirect interest in the Offer. As such, Ms. NG Shuk Ming is excluded from being a member of the Independent Board Committee.

We, Nuada Limited, have been appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee in respect of the Offer, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

During the past two years immediately preceding the commencement of the Offer Period, we were previously engaged as independent financial adviser by the Company regarding certain continuing connected transactions as disclosed in the circular of the Company dated 12 December 2025. Apart from normal professional fees for our services to the Company in connection with the aforesaid appointment and the current appointment, no other arrangement exists whereby we have received/will receive any fees and/or benefits from the Group, the Offeror and parties acting in concert with it or the Vendors or any other parties that could reasonably be regarded as relevant to our independence. Save for the aforesaid appointment and the current appointment and normal professional fees for our services to the Company in connection with the aforesaid appointment and the current appointment, there is no other relationships or interests between (a) Nuada; and (b) the Group, the Offeror, the Vendor, and their respective controlling shareholders,

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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subsidiaries and associates, nor is Nuada associated with the Group, the Offeror, the Vendor, and their respective substantial shareholders and any party acting, or presumed to be acting, in concert with any of them. Accordingly, we consider that we are independent pursuant to Rule 2 of the Takeovers Code and Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to give independent advices on the Offer.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Offer Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Composite Document 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 the Composite Document, which have been provided by the Company, the Directors, the sole director of the Offeror 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 Latest Practicable Date. Should there be any material changes to the information, representations and opinions contained or referred to in the Composite Document, which have been provided by the Company, the Directors, the sole director of the Offeror and the Management and our opinions and/or recommendation after the despatch of the Composite Document and throughout the Offer Period, the Offer Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

Our review and analysis were based upon, among other things, the information provided by the Company including the Joint Announcement and the Composite Document, and certain published information from the public domain including market statistics from 國家統計局 (National Bureau of Statistics) of the PRC, market statistics from 中國鋼鐵工業協會 (China Iron and Steel Association), status of trade war between the United States and the PRC, trading performance of the Shares on the Stock Exchange, the annual reports of the Company for the financial year ended 31 December 2023 (“**Annual Report 2023**”), 31 December 2024 (“**Annual Report 2024**”) and 31 December 2025 (“**Annual Report 2025**”), respectively.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We consider that we have reviewed sufficient information, including relevant information and documents provided by the Company, the Directors and the Management 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 the Composite Document 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, the Directors and the Management, 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 FOR THE OFFER

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

#### 1. Information on the Group

##### (a) *Principal business of the Group*

As stated in the section headed “Letter from the Board” in the Composite Document, the Group is principally engaged in the business of production and supply of industrial gases in the PRC. According to the Annual Report 2025, the Group generated revenue from three segments, namely (i) supply of industrial gas (pipeline and liquified); (ii) supply of liquefied natural gas (“LNG”) and gas transmission services; and (iii) technical support and management services, which accounted for approximately 83.7%, 14.2% and 1.2% of the Company’s revenue for the year ended 31 December 2025 respectively.

##### *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 at, or in close proximity to, the production facilities of its pipeline industrial gas customers to conveniently provided them with industrial gas products. During the year ended 31 December 2025, 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 Tangshan Tangsteel Gases Co., Ltd.\* (唐山唐鋼氣體有限公司) new district plant (formerly known as the Zhongqi Investment (Tangshan) plant).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *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.

### *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 sale 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 separated 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.

### *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 management etc. in relation to the production and supply of the industrial gas products.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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**(b) Financial information of the Group**

The table below summarises the financial results of the Group for the financial years ended 31 December 2023 (“**FY2023**”), 31 December 2024 (“**FY2024**”) and 31 December 2025 (“**FY2025**”) as extracted from the Annual Report 2024 and the Annual Report 2025 respectively.

	<b>For the year ended 31 December</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Revenue	1,529,116	1,313,612	1,491,154
– Supply of pipeline industrial gas	1,176,835	961,498	998,622
– Supply of liquefied industrial gas	102,746	113,165	165,703
– Supply of LNG and gas transmission	216,644	213,196	305,357
– Technical support and management service	18,606	14,764	2,917
– Others	14,285	10,989	18,555
Cost of revenue	(1,150,165)	(998,365)	(1,159,051)
Gross profit	378,952	315,247	332,103
Gross profit margin (%)	24.8	24.0	22.3
Selling and marketing expenses	(2,575)	(2,319)	(1,893)
Administrative expenses	(41,424)	(47,280)	(54,391)
Credit loss allowance for trade receivables	(7,504)	(3,078)	(15,364)
Impairment losses of property, plant and equipment		–	–
Research and development expenses	(81,203)	(66,252)	(73,603)
Other income	14,545	9,639	5,380
Other (losses)	(46,079)	(28,026)	(17,751)
Operating profit	214,711	177,930	174,480
Finance costs, net	(12,923)	(18,477)	(21,715)
Profit before income tax	201,788	159,453	152,765
Income tax expense	(45,521)	(29,407)	(24,689)
Profit for the period attributable to owners of the Company	156,266	130,047	128,076

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial performance for FY2025 vs FY2024*

The revenue of the Group for FY2025 amounted to approximately RMB1,529.1 million, representing an increase of approximately 16.4% as compared to approximately RMB1,313.6 million for FY2024. With reference to the Annual Report 2025 and according to the Management, such increase was mainly due to combined effects of (i) the increase of revenue generated from the supply of pipeline industrial gas from approximately RMB961.5 million for FY2024 to approximately RMB1,176.8 million for FY2025 mainly due to the rising demand for pipeline industrial gas resulting in an increase in pipeline gas production and revenue; (ii) the decrease of revenue generated from supply of liquefied industrial gas from approximately RMB113.2 million for FY2024 to approximately RMB102.8 million for FY2025 mainly due to the addition of Tangshan Guotang Steel Co., Ltd. (唐山國堂鋼鐵有限公司) as a pipeline oxygen customer, and no surplus oxygen for the production of liquid products; (iii) the increase of revenue generated from the supply of LNG and gas transmission services from approximately RMB213.2 million for FY2024 to approximately RMB216.6 million for FY2025 mainly due to the additional pipeline transmission fees from Meijin Coal Chemical; and (iv) the increase of revenue generated from technical support and management services from approximately RMB14.8 million for FY2024 to approximately RMB18.6 million for FY2025 mainly due to the higher production volumes of High-strength Car Plate, resulting in increased service fee income.

The gross profit of the Group increased from approximately RMB315.3 million for FY2024 to approximately RMB379.0 million for FY2025, the gross profit margin of the Group increased slightly from approximately 24.0% for FY2024 to approximately 24.8% for FY2025. The Group recorded a profit for the period attributable to the owners of the Company of approximately RMB156.3 million for FY2025, representing an increase of approximately 20.2% as compared to that of approximately RMB130.1 million for FY2024, as discussed with the Management and with reference to the Annual Report 2025, it was mainly due to the combined effects of (i) the increase in revenue of the Group for FY2025 as mentioned above; (ii) the decrease of administrative expenses from approximately RMB47.3 million for FY2024 to approximately RMB41.4 million for FY2025; and (iii) increase in research and development expenses of approximately RMB66.3 million for FY2024 to approximately RMB81.2 million for FY2025; (iv) increase in other income of approximately RMB9.6 million for FY2024 to approximately RMB14.5 million for FY2025; and (v) increase in other losses of approximately RMB28.0 million for FY2024 to approximately RMB46.1 million for FY2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Financial performance for FY2024 vs FY2023*

The revenue of the Group for FY2024 amounted to approximately RMB1,313.6 million, representing a decrease of approximately 11.9% as compared to approximately RMB1,491.2 million for FY2023. With reference to the Annual Report 2024 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 RMB165.7 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 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.

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 2024, 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.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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*Financial position as at 31 December 2025 and 30 June 2025*

	<b>As at 31 December 2025</b>	<b>As at 30 June 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(unaudited)
Current assets	915,878	864,457
– Trade receivables	650,644	580,407
– Cash and cash equivalents	150,038	193,841
Non-current assets	1,532,170	1,620,102
Current liabilities	421,502	605,933
– Borrowings	112,954	295,579
Net current assets	494,376	258,525
Total assets	2,448,048	2,484,559
Non-current liabilities	230,325	159,437
Total liabilities	651,827	765,370
Net assets	1,796,221	1,719,190

As stated in the Annual Report 2025, the Company recorded current assets of approximately RMB915.9 million as at 31 December 2025 as compared with that of approximately RMB864.5 million as at 30 June 2025, of which (i) the trade receivable increased from approximately RMB580.4 million as at 30 June 2025 to approximately RMB650.6 million as at 31 December 2025; and (ii) the cash and cash equivalents decreased from approximately RMB193.8 million as at 30 June 2025 to approximately RMB150.0 million as at 31 December 2025. The current liabilities decreased from approximately RMB605.9 million as at 30 June 2025 to approximately RMB421.5 million as at 31 December 2025 mainly due to the borrowings decreased from approximately RMB295.6 million as at 30 June 2025 to approximately RMB113.0 million as at 31 December 2025. Based on the above, the net current assets increased from approximately RMB258.5 million as at 30 June 2025 to approximately RMB494.4 million as at 31 December 2025. The net assets of the Group remained relatively stable and recorded approximately RMB1,796.2 million as at 31 December 2025, as compared to approximately RMB1,719.2 million as at 30 June 2025.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *Qualified opinion of independent auditor's report of the Company*

As set out in the Annual Report 2023, BDO Limited, the auditors of the Company (the “**Auditor**”) issued a qualified opinion (“**Qualified Opinion**”) for the consolidated financial statements of the Group for FY2023. Regarding the Qualified Opinion in summary, in the Auditor’s opinion, except for the possible effect of the matters described in the “Basis for Qualified Opinion” section of its report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Basis for Qualified Opinion**

On 30 November 2020 and 1 December 2020, the Company entered into three loan agreements with Company A, Company B and Company C (collectively “**the Borrowers**”) with principal amounts of RMB50,000,000, RMB53,522,000 and RMB14,478,000 respectively (the “**Loan Agreements**”). On 7 December 2020 and 10 December 2020, the Company transferred the funds as stipulated in the Loan Agreements to the Borrowers.

Pursuant to the Loan Agreements, the loans were interest bearing at 2% per annum and the principal amounts would mature on 30 December 2020. The principal amounts and the interests thereon would become repayable on 30 December 2020 (hereinafter referred to as the “**Loan Transactions**”). The Company accounted for the transfers of funds to the Borrowers as loan receivables in the consolidated financial statements for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

The loan receivables (“**Loan Receivables**”) were measured at amortised cost. As at 31 December 2020, 2021 and 2022, repayment of the principal balances and interests thereon under the Loan Agreements were overdue. Repayments of these balances remained outstanding up to the date of the report. The Board determined that full loss allowance of the outstanding principal balances of RMB118,000,000 in aggregate should be provided. Accordingly, a loss allowance of RMB118,000,000 was recognised in the consolidated statement of comprehensive income for the year ended

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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31 December 2020. The resultant amortised costs of the Loan Receivables became RMBNil as at 31 December 2020 and these amounts were brought forward to 31 December 2021. During the year ended 31 December 2022, the Board determined that there is no reasonable expectation of recovering the Loan Receivables and fully wrote off the Loan Receivables. Details of the writeoff are disclosed in Note 23 in the consolidated financial statements for the year ended 31 December 2023.

On 18 January 2021, the Company entered into a loan note agreement with Company D (the “**Loan Note Agreement**”). Pursuant to the Loan Note Agreement, the Company agreed to provide Company D with a loan of principal amount of HK\$80,000,000 (approximately RMB66,400,000). The loan was interest bearing at 4.5% per annum. Both the principal amount and the interests thereon would become repayable on 17 December 2021. On 28 January 2021, the Company transferred the principal amount as stipulated in the Loan Note Agreement (hereinafter referred to as the “**Note Investment**”) to Company D. The Company accounted for the transfers of funds to the Company D as note investment in the consolidated financial statements for the years ended 31 December 2021 and 31 December 2022.

The Note Investment was measured at amortised cost. As at 31 December 2021 and 31 December 2022, repayment of the principal balance and interests thereon under the Loan Note Agreement was overdue. Repayments of this balance remained outstanding up to the date of the report. During the year ended 31 December 2021, the Board determined that full loss allowance of the outstanding principal balance of RMB66,400,000 in aggregate should be provided. Accordingly, a loss allowance of RMB66,400,000 was recognised in the consolidated statement of comprehensive income for the year ended 31 December 2021. The resultant amortised cost of the Note Investment became RMBNil as at 31 December 2021. During the year ended 31 December 2022, the Board determined that there is no reasonable expectation of recovering the Note Investment and fully wrote off the Note Investment. Details of the write-off are disclosed in Note 24 in the consolidated financial statements for the year ended 31 December 2023.

Since the audit of the consolidated financial statements for the year ended 31 December 2020, the Auditor has obtained knowledge relating to the Loan Transactions and the Note Investment (“**the Auditor’s Knowledge**”) including:

- (i) the Group engaged in the production and supply of industrial gases. The Loan Transactions and the Note Investment are transactions outside the normal course of business of the Group;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (ii) the Loan Transactions and the Note Investment were approved by the ex-Chairman of the Board (the “**ex-Chairman**”) who was also an executive director of the Company (being removed as the Chairman of the Board and the executive director on 3 May 2022 and 5 May 2022 respectively). According to the Company’s internal control policies and procedures, due to the amounts of the Loan Transactions and the Note Investment, the Loan Transactions and the Note Investment should have been approved by the Board;
- (iii) the Company had not performed background check and due diligence on the Borrowers and Company D before entering into the Loan Transactions and the Note Investment;
- (iv) the Company had set aside funds in a bank account for distributions to its shareholders to settle the dividends payable to them. To change the use of these designed funds would need the approval by the Board. Without prior approval by the Board, the ex-Chairman instructed the transfer of these designated funds to the Borrowers and Company D to fulfil the Company’s commitment in the Loan Agreements and the Loan Note Agreement; and
- (v) as at the date of the report, there were no repayments from the Borrowers and the balance due from Company D was outstanding.

### **Scope limitation on the Auditor’s work to ascertain the nature of the Loan Transactions and the Note Investment**

Given the Auditor’s Knowledge obtained in the audit relating to the Loan Transactions and the Note Investment, the Auditor has concerns about the commercial substance and business rationale of these transactions, and whether it is appropriate to recognise the Loan Transactions as the Group’s Loan Receivables and the Note Investment as the Group’s Note Investment in the consolidated financial statements. The Auditor has communicated its concerns to the Board and requested explanations from the Board on how its concerns have been considered in their determination that the Loan Transactions were recognised as Loan Receivables of the Group and the Note Investment was recognised as the Group’s Note Investment in the consolidated financial statements. However, the Auditor has not received explanations from the Board that would satisfy itself as to the commercial substance and business rationale of the Loan Transactions and the Note Investment. There were no alternative audit procedures that the Auditor could perform to satisfy itself on the above concerns.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Auditor modified its audit opinion on the Group's consolidated financial statements for the year ended 31 December 2022 because it were unable to conclude whether the write-offs on the Loan Receivables and the Note Investment recognised during the year ended 31 December 2022 which arose from the limitations on the scope of its work to ascertain the nature of the Loan Transactions and the Note Investment are free from material misstatement. Any adjustment that might be found necessary would have a consequential impact on the financial performance for the year ended 31 December 2022, the financial position as at 1 January 2022 and the disclosures thereof in the consolidated financial statements for the year ended 31 December 2022. Its opinion on the Group's consolidated financial statements for the year ended 31 December 2023 is modified because of the possible effects of the above matter on the comparability of the current year's figures and the corresponding figures for the year ended 31 December 2022 in the consolidated statement of comprehensive income.

The Auditor conducted its audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Its responsibilities under those standards are further described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements” section of the report. The Auditor is independent of the Group in accordance with the Code of Ethics for Professional Accountants (the “**Code**”) issued by HKICPA, and the Auditor has fulfilled its other ethical responsibilities in accordance with the Code. The Auditor believes that the audit evidence it has obtained is sufficient and appropriate to provide a basis for its qualified opinion.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of the independent Shareholder to the Qualified Opinion on the consolidated financial statements of the Group for the year ended 31 December 2023.

The Auditor's opinion on the Group's consolidated financial statements for the year ended 31 December 2023 was modified because of the possible effects of the above matter on the comparability of the figures for the year ended 31 December 2023 and the corresponding figures for the year ended 31 December 2022 in the consolidated statement of comprehensive income.

As disclosed in the Company's announcement dated 15 April 2026, the Company (as assignor) had entered into the Assignment of Loans with the Offeror (as assignee) of even date, whereby all the interests and ancillary benefits in (i) the Loans together with (ii) the interests accrued thereon were assigned to the Offeror at the total consideration of RMB118,000,000, subject to approval of the independent Shareholders of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The management is of the view that since the Auditor did not issue any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern in respect of the Group's audited consolidated financial statements for each of the two financial years ended 31 December 2024 and 2025. There was also no material change in accounting policies applicable to the three years ended 31 December 2023, 2024 and 2025 which rendered the financial figures not comparable to a material extent. Based on the foregoing, the Board considers that the Qualified Opinion issued by the Auditor on the Group's financial statements for the year ended 31 December 2023 would not have any material implication on the Offer.

In light of the foregoing, and given the Auditor did not issue any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern in respect of the Group's audited consolidated financial statements for each of the two financial years ended 31 December 2024 and 2025, we concur with the view of the Board that the Qualified Opinion issued by the Auditor would not have any material implication on the Offer.

### ***(c) Outlook and prospects of the Group***

As stated in Annual Report 2025, 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 National Bureau of Statistics of China (the "Statistic Bureau"), GDP of China grew from approximately RMB103,486.8 billion in 2020 to approximately RMB140,187.9 billion in 2025, representing a cumulative annual growth rate of approximately 6.3% during the period. The total fixed asset investment (excluding agriculture) in the PRC grew from approximately RMB43,855.7 billion in 2020 to approximately RMB48,518.6 billion in 2025, representing a cumulative annual growth rate of approximately 2.0% during the period. In 2025, China's crude steel output was approximately 961 million tonnes, representing a 4.4% decrease compared to 2024, and the pig iron output was approximately 836 million tons, representing 3.0% decrease compared to 2024. According to the data released by China Iron and Steel Association, the production of steel was approximately 1,446 million tons, representing an increase of approximately 3.1% as compared to that for 2024. The production of natural gas in China in 2025 amounted to approximately 262 billion cubic meters, representing an increase of approximately 6.2% as compared to that for 2024.

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As mentioned in the Annual Report 2025 and according to the Management, benefiting from the gradual release of production capacity in the coastal production bases of the Group's main customer, namely HBIS, the Group's pipeline industrial gas business recorded an increase as compared to 2024. Export capacity for liquid products also increased slightly, and prices for liquid products rose slightly compared to 2024. Consequently, the Group's revenue for the year ended 31 December 2025 increased to approximately RMB1,529.1 million, representing a 16.4% increase from approximately RMB1,313.6 million for the year ended 31 December 2024.

We have also reviewed the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in both the Annual Report 2024 and the Annual Report 2025 and discussed with the Management in respect of the operation and prospect of the Group. According to the Annual Report 2025, as of 2026, intensifying global geopolitical tensions and regional wars and armed conflicts have disrupted global energy and commodity sectors. The resulting volatility in energy prices has spiked production costs, particularly increasing the overhead for the Group's industrial gas production. Additionally, war-related supply chain and logistical bottlenecks have challenged the Group's ability to maintain operational consistency. As stated in the Annual Report 2025, in the current global economic environment, gas supply companies face multiple risks, particularly those related to their business of supplying gas to iron and steel plants in China. The two main risk factors are changes in the United States (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. Iron and steel plants, as the Group's major customers, may change their production plans and market demand due to the impact of trade policies, which may expose the Group's gas demand to fluctuations, affecting sales forecast and inventory management. In summary, as policy uncertainty in the US market increases, the market position of the Group may 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 increasingly 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 the Group's market share. To address such risks, the Group needs to

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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formulate flexible business strategies, enhance its market analysis capabilities and risk forecasting capabilities, build a diversified customer base and supply chain to reduce its reliance on a single market, and strengthen its communication and co-operation with iron and steel plants to better understand the changes in their demand. In addition, the Group would also consider expanding into other markets and identifying new business opportunities, so as to maintain its competitiveness in an uncertain trading environment and ensure stable business development.

With reference to the Annual Report 2025 and as advised by the Management, overall demand for industrial gases in 2026 is expected to remain stable. Affected by changes in industry profits and the profit allocation in the product chain, the market supply pressure in the steel industry has become more pronounced, steel enterprises may be less active in production, and steel billets output may passively decline, thereby dragging down demand for industrial gases. However, as a high-end steel material, stainless steel is expected to continue growing in its traditional application in the future. The chemical industry and traditional petrochemical industry are still facing certain challenges, but with the transformation and upgrading of the industry, it will bring new opportunities for the development of the industrial gas industry.

China's industrial gas industry has developed rapidly under the influence of national policies, foreign investment, the development of high tech and so on. Meanwhile, the Group closely follows the industry development trends, actively develops special gas products, and expands the market share in electronic special gas products, so as to enhance its prospect for future 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 features lower operating cost and one-off capital expenditure with higher gas supply stability and more efficient resources utilisation. Therefore, the market share of outsourced gas supply has been growing steadily. With reference to the Annual Report 2025 and as advised by the Management, 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 leverage on its successful experience and technical advantages as an outsourced gas supplier to keep pace with the market trends in changing in gas supply models and explore external development opportunities.

Given the factors discussed above, we consider that the future prospects of the Group appear challenging and uncertain in the short term, dependent on the Offeror's future business strategies and plans.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Information on the Offeror and the Offeror's intention regarding the Group

#### (a) Information on the Offeror

The Offeror was incorporated in the BVI with limited liability on 25 August 2025. The Offeror is an investment holding company. The Offeror is wholly owned by Tianjin Tangde Technology Co., Ltd.\* (天津唐德科技有限公司) (“**Tianjin Tangde**”), a wholly-owned subsidiary of Beijing Tangde Qingneng Enterprise Management Consulting Co., Ltd.\* (北京唐德清能企業管理諮詢有限公司) (“**Beijing Tangde Qingneng**”) which is in turn wholly owned by Jiaxing Morewisdom Tangde Equity Investment Partnership (Limited Partnership)\* (嘉興摩予渡唐德股權投資合夥企業(有限合夥)) (“**Jiaxing Morewisdom**”).

The Offeror, Tianjin Tangde, Beijing Tangde Qingneng and Jiaxing Morewisdom were all incorporated or established in 2025 as investment vehicles for the Share Purchase. These four entities have no investment other than the Share Purchase. None of the four entities are engaged in actual business operations. They only have necessary personnel such as directors and finance, legal, and tax staff, with no employees involved in sales, production, or other operations.

Jiaxing Morewisdom is beneficially owned as to 78% by Sichuan Dingxiang Equity Investment Fund Co., Ltd.\* (四川鼎祥股權投資基金有限公司) (“**Sichuan Dingxiang**”), 10% by Yanran (Hainan) Investment Management Partnership (Limited Partnership)\* (研然(海南)投資管理合夥企業) (“**Yanran Investment**”), 10% by Hainan Zhongfang Energy Co., Ltd.\* (海南眾方能源有限公司) (“**Hainan Zhongfang**”) and 2% by Morewisdom (Shanghai) Private Equity Fund Management Co., Ltd.\* (摩予渡(上海)私募基金管理有限公司) (“**Morewisdom**”). Sichuan Dingxiang, Yanran Investment and Hainan Zhongfang are the limited partners of Jiaxing Morewisdom. Morewisdom is the general partner and fund manager of Jiaxing Morewisdom.

Sichuan Dingxiang is owned as to 80% by Mr. Song Jiajun (宋佳駿) and as to 20% by Ms. Song Binyang (宋玢陽).

Yanran Investment is owned as to 65% by Mr. Chen Yingliu (陳英柳) and as to 35% by Mr. Chen Tianyi (陳天易).

Hainan Zhongfang is wholly owned by Mr. Cao Zhen (曹震).

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Morewisdom, incorporated on 20 January 2015, is registered as a “private equity and venture capital fund manager” (私募股權、創業投資基金管理人) with the Asset Management Association of China (中國證券投資基金業協會), engaging in funds investment, funds management, and post-investment projects management. Morewisdom is the general partner and fund manager of Jiaxing Morewisdom. Apart from Jiaxing Morewisdom, Morewisdom has also invested in and/or managed other six funds registered with the Asset Management Association of China (中國證券投資基金業協會), covering new materials and processes, mineral resources and modern agriculture industries/sectors. Morewisdom is owned as to 98% by Morewisdom (Hainan) Enterprise Management Consulting Partnership (Limited Partnership)\* (摩予渡(海南)企業管理諮詢合夥企業(有限合夥)) (“**Hainan Morewisdom**”) and as to 2% by Morewisdom (Hainan) Industrial Development Co., Ltd.\* (摩予渡(海南)實業發展有限公司) (“**Morewisdom (Hainan) Industrial**”).

Morewisdom (Hainan) Industrial is owned as to 54.55% by Mr. Li Jun (李軍), as to 36.36% by Mr. Cao Zhen (曹震) and as to 9.09% by Jiaxing Morewisdom Zhenheng Equity Investment Partnership (Limited Partnership)\* (嘉興摩予渡真恒股權投資合夥企業(有限合夥)) (“**Morewisdom Zhenheng**”).

Morewisdom Zhenheng is owned as to 85.72% by Chengde Disheng Metal Composite Materials Co., Ltd.\* (承德市帝聖金屬複合材料有限公司) (“**Chengde Disheng**”), as to 9.52% by Hainan Morewisdom and as to 4.76% by Morewisdom. Chengde Disheng is owned as to 96.78% by Hu Zhaoli (胡招李), as to 1.61% by Hu Zhaofa (胡招法) and as to 1.61% by Li Mingxia (李明霞).

Hainan Morewisdom is an investment holding vehicle, engaging solely investment activities. Hainan Morewisdom is owned as to 40% by Mr. LI Jun (李軍), as to 30% by Chengdu Yuanming Juyu Enterprise Management Partnership (General Partnership)\* (成都源銘聚裕企業管理合夥企業(普通合夥)) (“**Chengdu Yuanming Juyu**”), as to 20% by Tianjin Laiwei Materials Co., Ltd.\* (天津來巍物資有限公司) (“**Tianjin Laiwei**”) and as to 10% by Shanghai Jitailai Enterprise Management Consulting Partnership (Limited Partnership)\* (上海吉泰萊企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Jitailai**”). Mr. Li Jun and Chengdu Yuanming Juyu are the general partners of Hainan Morewisdom. Tianjin Laiwei and Shanghai Jitailai are the limited partners of Hainan Morewisdom.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Chengdu Yuanming Juyu is owned as to 80% by Mr. Song Jiajun (宋佳駿) and as to 20% by Ms. Song Binyang (宋玢陽). Both of Mr. Song Jiajun (宋佳駿) and Ms. Song Binyang (宋玢陽) are the general partners of Chengdu Yuanming Juyu.

Tianjin Laiwei is owned as to 90% by Mr. Liu Wei (劉巍) and as to 10% by Hainan Laiwei Technology Co., Ltd.\* (海南來巍科技有限公司) (“**Hainan Laiwei**”). Hainan Laiwei is owned as to 51% by Yao Yue Enterprise Management (Haikou) Co., Ltd.\* (耀玥企業管理(海口)有限公司) (“**Yao Yue**”) and 49% by Laiwei Investment (Hainan) Co., Ltd.\* (來巍投資(海南)有限公司) (“**Laiwei Investment**”). Both of Yao Yue and Laiwei Investment are owned as to 99% by Mr. Liu Wei (劉巍) and as to 1% by Mr. Chen Peng (陳鵬).

Shanghai Jitailai is owned as to 70% by Mr. Chen Tianyi (陳天易) and as to 30% by Li Yiduo (李翊多).

The Offeror has not engaged in any business activities since its date of incorporation apart from those disclosed in this Composite Document. Prior to the Share Purchase Completion, the Offeror did not have any assets other than the shareholder’s loan provided by its parent companies.

The Offeror, being the investment vehicle of a private equity fund with an investment period to be expired on 22 September 2031, will exit the investment into the Company before expiry of its investment period with a view to financial gain and will not cooperate with HK Huitang Zhihe in the business operation of the Group or to control the voting rights of the Company.

Mr. Li Jun (李軍) is the sole director of the Offeror. He participated in the integration of multiple steel enterprises, possessing deep knowledge in industrial energy industry. For his biographical information, please refer to the section headed “Proposed Change of the Composition of the Board” below.

As at the Latest Practicable Date, the Offeror does not have any assets other than the Sale Shares, representing approximately 39.01% of the existing issues share capital of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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***(b) Intention of the Offeror regarding the Group***

Following the Share Purchase Completion, the Offeror becomes a controlling shareholder of the Company. The Offeror intends to continue the existing principal businesses of the Group. The Offeror has no intention to discontinue the employment of the employees (save for changes in the composition of the Board as disclosed in the paragraph headed “Proposed change of Board Composition” below) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

The Offeror will, following the close of the Offer, conduct a review on the business activities/operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review and should suitable investment or business opportunities arise, the Offeror may explore other business opportunities for the Company which may involve acquisitions or investments in assets and/or businesses or cooperation with business partners of the Offeror with a view of enhancing the Group’s business growth and asset base as well as broadening its income stream.

As of the Latest Practicable Date, the Offeror is considering supporting the Company’s sales of high-purity rare gases (including helium, neon, krypton and xenon) to industry customers, to meet the growing demand for such products in related industries and seize the business opportunities arising from the trend of supply chain substitution in the PRC.

*Proposed change of Board composition*

The Board is currently made up of seven Directors, comprising two executive Directors, being Mr. SONG Changjiang and Mr. SUN Changhuan; two non-executive Directors, being Ms. NG Shuk Ming and Mr. ZHANG Wenli and three independent non-executive Directors, being Mr. SIU Chi Hung, Mr. XIAO Huan Wei and Ms. LI Chun Elsy.

It is expected that the Offeror will require certain of the Directors to resign from the Board and the Offeror will nominate new Directors to the Board at the earliest time as permitted under the Takeovers Code. The Offeror and the Company do not foresee any negative impact on the Group’s operation due to departure of any of the existing Directors after the Offer Period as most of the existing Directors will remain on the Board.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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It is proposed that Mr. LI Jun and Mr. SONG Jiajun will be appointed as Directors shortly after the despatch of the Composite Document; and Mr. CHEN Tianyi will be appointed as Directors following the close of the Offer. In addition, Mr. SONG Jiajun will be further appointed as the chairman of the Board, subject to the approval of the Company's nomination committee and remuneration committee. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and a separate announcement will be made in this regard as and when appropriate. Set out below are the biographical details of the above-mentioned nominees for appointment as executive Directors. Further details required by Rule 13.51(2) of the Listing Rules will be announced after the appointment takes effect:

Mr. LI Jun (李軍)

Mr. LI Jun, aged 48, holds a Ph.D. in Engineering from Tsinghua University and possesses 16 years of experience in strategic planning and large-scale mergers and acquisitions. He is one of the founders and CEO of Morewisdom. Mr. Li was a Senior Investment Review Manager at the Planning & Development Department (規劃發展部投資審查高級經理) from May 2009 to December 2012 and a Deputy General Manager at the Capital Operations Department (資本運營部副總經理) from March 2016 to November 2016 in Baosteel Group Corporation Limited\* (寶鋼集團有限公司)(now known as China Baowu Steel Group Corporation Limited\* (中國寶武鋼鐵集團有限公司)) and a Deputy General Manager at the Investment Management Department (投資管理部副總經理) from December 2016 to July 2017 in China Baowu Steel Group Corporation Limited\* (中國寶武鋼鐵集團有限公司). Mr. Li has been serving as an independent director of Xinyu Iron and Steel Co., Ltd.\* (新餘鋼鐵股份有限公司)(a company listed on the Shanghai Stock Exchange, Stock Code: 600782) since 25 June 2025. He participated in the integration of multiple steel enterprises, possessing deep knowledge in industrial energy industry.

Mr. Li is a general partner of Hainan Morewisdom and owns 40% of the interests thereof. Hainan Morewisdom owns 98% of the interest in Morewisdom. And, Morewisdom is the general partner and fund manager of Jiaxing Morewisdom, and owns 2% of the interests thereof. The Offeror is indirectly wholly-owned by Jiaxing Morewisdom.

Save as disclosed above, Mr. Li (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As at the date of the Joint Announcement and by virtue of the SFO, Mr. Li is deemed to be interested in 468,096,000 Shares, representing approximately 39.01% of the issued share capital of the Company.

Mr. SONG Jiajun (宋佳駿)

Mr. SONG Jiajun, aged 31, holds a bachelor's degree in hospitality management from the University of Nevada, Las Vegas. He is one of the founders of Morewisdom and the controlling shareholder of Sichuan Dingxiang.

Save as disclosed above, Mr. Song (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

Mr. Song owns 80% of registered capital of Sichuan Dingxiang. Sichuan Dingxiang owns 78% of the interests in Jiaying Morewisdom. And, Mr. Song also owns 80% of the interests in Chengdu Yuanming Juyu and is a general partner thereof. Chengdu Yuanming Juyu owns 30% of the interest in Hainan Morewisdom and is a general partner thereof. Hainan Morewisdom owns 98% of registered capital of Morewisdom, while Morewisdom owns 2% of the interests in Jiaying Morewisdom and is the general partner thereof. The Offeror is indirectly wholly-owned by Jiaying Morewisdom.

As at the date of the Joint Announcement and by virtue of the SFO, Mr. Song is deemed to be interested in 468,096,000 Shares, representing approximately 39.01% of the issued share capital of the Company.

Mr. CHEN Tianyi (陳天易)

Mr. CHEN Tianyi, aged 37, holds a Master's degree in Electrical Engineering from Columbia University and possesses nearly 10 years of experience in technology and investment. He is one of the founders of Morewisdom and an executive partner of Yanran Investment. Previously, Mr. Chen was an Application Engineer at Silicon Valley-based ALTA DEVICES (a leading thin-film solar technology company) from May 2016 to September 2019 and a Senior Application Engineer at Glydways, Inc. (an autonomous driving technology company) from November 2019 to August 2021. He returned to China in 2021 to establish a dual-currency cross-border investment platform with a focus on venture capital, secondary funds and mergers & acquisitions funds. Mr. Chen has strong technical background and cross-border multi-strategy investment experience.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Save as disclosed above, Mr. Chen (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of the Joint Announcement, Mr. Chen does not have and is not deemed to have any interest in the shares, underlying shares or debentures of the Company and/or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

**(c) *Public float and maintenance of the listing status of the Company***

As stated in the Composite Document, the Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer and does not intend to avail itself of any power of compulsory acquisition.

The Company will make an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 13.32B of the Listing Rules in case less than 25% of the issued share capital of the Company will be held by the public upon the close of the Offer in accordance with Rule 13.33 of the Listing Rules. Appropriate steps will be taken to ensure public float will be restored as soon as possible after the close of the Offer. The steps that the Offeror may take include but not limited to placing down or selling sufficient number of accepted Shares it acquired from the Offer to independent places or in the market. No arrangements had been confirmed or put in place as at the Latest Practicable Date.

The Stock Exchange has stated that:

- (a) if, at the close of the offer, the Stock Exchange believes that:
- a false market exists or may exist in the trading of the Shares; or
  - an orderly market does not exist or may not exist;

it will consider exercising its discretion to suspend trading in the Shares.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (b) if, at the close of the Offer, the Company has a Significant Public Float Shortfall (as defined in rule 13.32F of the Listing Rules), then:
- the Stock Exchange will add a designated marker to the stock name of the listed Shares; and
  - the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of rule 13.32B of the Listing Rules, they will take appropriate steps to ensure the Company's compliance with rule 13.32B of the Listing Rules at the earliest possible moment.

### *Our view*

Based on the background of the proposed directors as stated in the Composite Document, we note that (i) Mr. LI Jun possesses experience in strategic planning and large-scale mergers and acquisitions; (ii) Mr. SONG Jiajun is one of the founders of Morewisdom and the controlling shareholder of Sichuan Dingxiang; and (iii) Mr. CHEN Tianyi possesses experience in technology and investment and is one of the founders of Morewisdom and an executive partner of Yanran Investment, and he has strong technical background and cross-border multi-strategy investment experience, having considered that (a) the Offeror intends to continue the existing principal businesses of the Group; (b) the Offeror has no intention to discontinue the employment of the employees (save for changes in the composition of the Board as disclosed in the paragraph headed "Proposed change of Board Composition" above) or (c) to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business, we are of the view that there will not be material change in the business and financial performance of the Group as a result of the Offer.

### **DEED OF ASSIGNMENT**

On 14 January 2026, the Vendor as the assignor entered into the Deed of Assignment for the assignment of the Receivables to the Offeror in the amount of RMB50,671,500.

The Receivables were the dividends owed by the Company to the Vendor. Having entered into the Deed of Assignment, the Offeror paid to the Vendor an amount equivalent to the Receivables and consequently became entitled to claim the Receivable from the Company.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The main terms of the Deed of Assignment were as follows:

Assignor:	Vendor
Assignee:	Offeror
Consideration:	RMB50,671,500 (i.e. being an amount equivalent to the Receivables) was paid by the Offeror to the Vendor
Payment Date:	14 January 2026
Other terms:	The Vendor as the assignor confirmed it had not received any of the Receivables as of the date of the Deed of Assignment and undertook with the Offeror as the assignee that if, on or after the date of the Vendor's actual receipt of the payment of RMB50,671,500 by the Offeror, the Vendor receives or recovers from the Company any amount of the Receivable which, by virtue of the terms of the Deed of Assignment, is assigned to or receivable by the Offeror, the Vendor shall hold such amount on trust for the Offeror and promptly account for the same to the Offeror.

The assignment of the Receivables under the Deed of Assignment, being an arrangement made between the Offeror and the Vendor (a former shareholder of the Company) while the Offer was reasonably in contemplation, constituted a special deal under Note 5 to Rule 25 of the Takeovers Code.

The Offeror will extend the special benefit under the Deed of Assignment to Offer Shareholders by paying an additional Offer Price adjustment equivalent to the special benefit of RMB50,671,500 under the Deed of Assignment at an exchange rate of HK\$1.134 to RMB1 quoted by the People's Bank of China on the date of the Joint Announcement divided by 468,096,000 Sale Shares, which will form part of the Offer Price.

As the Offer Price of HK\$0.626 per Offer Share is the sum of the Consideration under the Share Purchase Agreement and the special benefit under the Deed of Assignment divided by 468,096,000 Sale Shares at relevant exchange rates quoted by the People's Bank of China on the date of the Joint Announcement (i.e. the sum (US\$30,100,000 multiplied by exchange rate of US\$1=HK\$7.826 plus RMB50,671,000 multiplied by exchange rate of RMB1=HK\$1.134) divided by 468,096,000 Sale Shares equals HK\$0.626), we are of the view that the special benefit is appropriately reflected in the Offer Price.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 3. Principal terms of the Offer

#### *(a) Comparison of the market prices of the Shares*

As stated in the section headed “Letter from First Shanghai” in the Composite Document, the Offer Price of HK\$0.626 represents:

- (i) a discount of approximately 60.38% to the closing price of HK\$1.58 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 51.62% to the average closing price of approximately HK\$1.29 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 44.94% to the average closing price of approximately HK\$1.14 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 36.01% to the average closing price of approximately HK\$0.98 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 63.12% to the audited consolidated net asset value of the Group of approximately RMB1.50 per Share (equivalent to approximately HK\$1.70 per Share) as at 31 December 2025;
- (vi) a discount of approximately 61.47% to the unaudited consolidated net asset value of the Group of approximately RMB1.43 per Share (equivalent to approximately HK\$1.62 per Share) as at 30 June 2025.

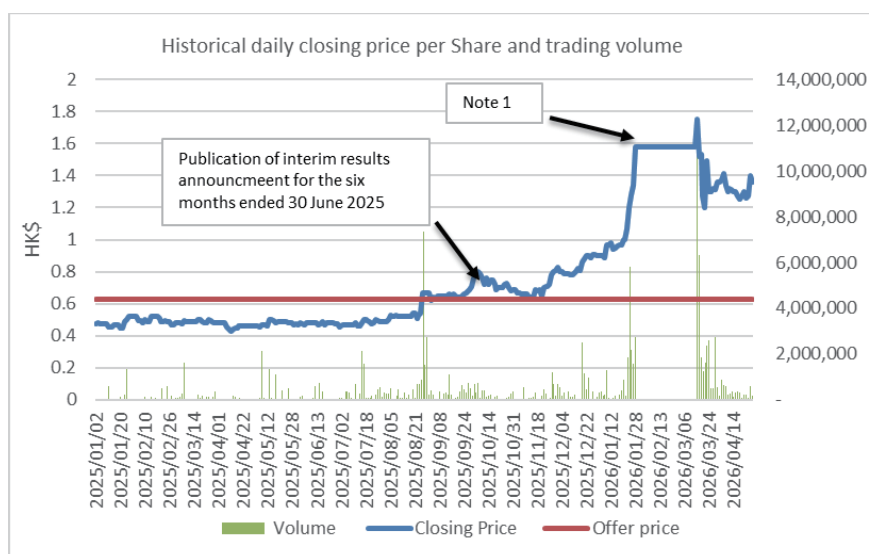
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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### (b) *Historical price performance of the Shares*

The graph below shows Offer Price and the movement of the closing prices of the Shares during the period from 2 January 2025, being the first trading day of the twelve months prior to the Last Trading Day (i.e. 28 January 2026), and up to and including the Last Trading Day (the “**First Review Period**”), and (ii) from the day immediately following the date of the Joint Announcement up to and including the Latest Practicable Date (the “**Second Review Period**” together with the First Review Period, the “**Review Period**”) with key/relevant events labelled. We consider that the Review Period can reflect the latest market conditions and the recent price performance and trading volume of the Shares for conducting an analysis against the Offer Price. Accordingly, we consider the Review Period adopted is fair and reasonable.



Source: Website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk))

Note 1: The trading of the Shares was suspended during 29 January 2026 to 13 March 2026 pending the publication of the Joint Announcement and was resumed to trading on 16 March 2026.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *The First Review Period*

During the First Review Period, the Shares have been trading between the price range of HK\$0.425 per Share to HK\$1.58 per Share with an average trading price of approximately HK\$0.602 per Share. The Offer Price of HK\$0.626 per Offer Share represents (i) a premium of approximately 47.3% over the lowest closing price; (ii) a discount of approximately 60.4% to the highest closing price; and (iii) a premium of approximately 0.97% over the average closing price during the First Review Period.

As illustrated in the graph above, (i) the closing price of the Shares was HK\$0.5 per Share with trading volume of 1,358,000 Shares on 23 January 2025; (ii) the closing price of the Shares was HK\$0.495 per Share with trading volume of 1,634,000 Shares on 7 March 2025; (iii) the closing price of the Shares was HK\$0.465 per Share with trading volume of 2,134,000 Shares on 7 May 2025; (iv) the closing price of the Shares was HK\$0.5 per Share with trading volume of 1,320,000 Shares on 13 May 2025; (v) the closing price of the Shares was HK\$0.48 per Share with trading volume of 1,112,000 Shares on 16 May 2025; (vi) the closing price of the Shares was HK\$0.48 per Share with trading volume of 2,124,000 Shares on 16 July 2025; and (vii) the closing price of the Shares was HK\$0.5 per Share with trading volume of 1,564,000 Shares on 17 July 2025 (for comparison, the trading volume were less than 1,000,000 Shares during January 2025 to July 2025 except for the abovementioned dates). We have reviewed the publications and note that the Company published (a) the annual results announcement of the Company for FY2024 on 25 March 2025; (b) the Annual Report 2024 and the Environmental, Social and Governance Information/Report on 29 April 2025; and (c) the announcement in relation to the termination of compliance adviser on 8 July 2025, as discussed with the Management, save as disclosed above, they are not aware of any other possible reason for the aforesaid spike in trading volume.

As illustrated above, the daily closing price of the Shares traded in the range of approximately HK\$0.425 to HK\$0.54 per Share from the beginning of the First Review Period up to 26 August 2025. The daily closing price of the Share subsequently increased to HK\$0.67 per Share with high trading volume of 7,346,000 Shares on 27 August 2025 after the release of interim results announcement of the Company for the six months ended 30 June 2025 on 26 August 2025. Thereafter, the daily closing price of the Share increased gradually, peaking at HK\$1.58 per Share on 28 January 2026. As discussed with the Management, save as disclosed above, they are not aware of any other possible reason for the aforesaid spike in closing price and trading volume.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### *The Second Review Period*

The Second Review Period recorded closing price ranging from HK\$1.2 to HK\$1.75 (the “**Second Review Period Price Range**”), with an average closing price of HK\$1.46 per Share. The Offer Price of HK\$0.626 per Offer Share represents (i) a discount of approximately 47.8% over the lowest closing price; (ii) a discount of approximately 64.2% to the highest closing price; (iii) a discount of approximately 57.1% over the average closing price during the Second Review Period. During the Second Review Period, the closing price of the Shares experienced a notable increase upon the resumption of trading on 16 March 2026 after the Joint Announcement has been published, with the closing price surging from HK\$1.58 on the Last Trading Day to HK\$1.75 on the trading day after the publication of the Joint Announcement, representing an increase of approximately 10.8%. Based on our discussion with Management, save for the publication of the Joint Announcement, the Management were not aware of any material matters potentially caused the aforesaid movement. We consider that the notable increase in closing price per Share were primarily attributable to the market reaction and anticipation to the Offer following release of the Joint Announcement.

### *The Review Period*

During the Review Period, the closing prices of the Shares ranged from the highest of HK\$1.75 per Share recorded on 16 March 2026 to the lowest of HK\$0.425 per Share recorded on 10 April 2025, with an average of approximately HK\$0.760 per Share. During the Review Period, the Offer Price of HK\$0.626 per Share represents (i) a discount of approximately 64.2% to the highest closing price of HK\$1.75 per Share; (ii) a premium of approximately 47.3% over the lowest closing price of HK\$0.425 per Share; and (iii) a discount of approximately 17.7% to the average closing price of approximately HK\$0.760 per Share.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**(c) Historical trading liquidity of the Shares**

The following table sets out the historical trading liquidity of the Shares during the Review Period:

Month/period	Number of trading days in the month/period	Average daily trading volume per trading day in the month/period <i>Shares</i> <i>(Note 1)</i>	Percentage of average daily trading volume to total number of Shares in issue <i>Approximate %</i> <i>(Note 2)</i>	Percentage of average daily trading volume of the Shares to total number of Shares held by public Shareholders <i>Approximate %</i> <i>(Note 3)</i>
<b>First Review Period</b>				
<b>2025</b>				
January	19	131,579	0.011	0.044
February	20	96,600	0.008	0.032
March	21	164,857	0.014	0.055
April	19	25,474	0.002	0.008
May	20	295,600	0.025	0.099
June	21	111,333	0.009	0.037
July	22	362,909	0.030	0.121
August	21	806,286	0.067	0.269
September	22	309,909	0.026	0.103
October	20	216,600	0.018	0.072
November	20	206,400	0.017	0.069
December	21	407,238	0.034	0.136
<b>2026</b>				
January (up to and including the Last Trading Day)	19	982,842	0.082	0.328
<b>Second Review Period</b>				
February <i>(Note 4)</i>	0	0	0	0
March <i>(Note 4)</i>	12	2,722,333	0.227	0.907
April (up to the Latest Practicable Date)	19	323,263	0.027	0.108

*Source: Website of the Stock Exchange (www.hkex.com.hk)*

*Notes:*

1. It is calculated by dividing the total trading volume of the Shares for the month/period by the corresponding number of trading days of that month/period.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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2. It is calculated by dividing the average daily trading volume of the Shares by the total number of Shares in issue at the end of each month or as at the Latest Practicable Date, where applicable.
3. It is calculated by dividing the average daily trading volume of the Shares by the total number of Shares held by public Shareholders.
4. The trading of the Shares was suspended during 29 January 2026 to 13 March 2026 pending the publication of the Joint Announcement and was resumed to trading on 16 March 2026.

As set out in the table above, during the First Review Period, the percentage of average daily number of Shares traded relative to the total number of Shares in issue ranged from approximately 0.002% to 0.082%, with an average of approximately 0.026%. It is noted that the trading percentage falls below the percentage of 0.1% throughout the First Review Period. In addition, the percentage of average daily trading volume to the total number of Shares held by public shareholders ranged from approximately 0.008% to 0.328%, with an average of approximately 0.106%, and it is noted that 8 out of the 13 months recorded a percentage below the percentage of 0.1%. It is further noted, during the First Review Period, there were a total of 265 trading days, of which 55 days recorded no trading of Shares.

During the Second Review Period, the percentage of average daily trading volume of the Shares relative to the total number of Shares in issue were approximately 0.127%, and approximately 0.508% relative to the total number of Shares held by public Shareholders.

Given the percentage of average daily trading volume to total number of Shares in issue and to total number of Shares held by public Shareholders generally remained below 0.1% during the Review Period, we consider that the liquidity of the Shares had been generally thin during the Review Period. Nevertheless, while the Offer provides an exit alternative at the Offer Price for the Offer Shareholders who would like to realise their investments in the Shares at a fixed price and within a short period of time, those Shareholders are also advised to consider to sell their Shares in the open market instead of accepting the Offer if the closing prices of the Shares is above the Offer Price, after taking into account the possible downward pressure on the Share price when selling in bulk.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(d) Comparable analysis*

With a view to assess the fairness and reasonableness of the Offer Price, we have also conducted market comparable analysis by comparing the price-to-earnings ratio (the “**P/E Ratio**”) and the price-to-book ratio (the “**P/B Ratio**”) of the Company as implied by the Offer Price and based on the closing price of the Share on the Last Trading Day against that of other listed companies on the Main Board of the Stock Exchange that engages in similar business to those of the Group.

For the purpose of our analysis, we have identified comparable companies based on the following criteria: (a) the shares of which are listed on the Main Board of the Stock Exchange; (b) the listed company(ies) that principally engaged, with over 50% of their revenue generated from the supply of gas (pipeline/liquefied), for its latest financial period in the PRC which are of a similar business with the Company; (c) the market capitalization of which ranged between HK\$500 million to HK\$2,000 million as at the Last Trading Day, determined with reference to the market capitalization of the Company during the Review Period, which ranged between approximately HK\$510 million to HK\$1,896 million based on the lowest and highest closing price recorded; and (d) the trading of shares of the subject companies were not suspended on the Last Trading Day and Latest Practicable Date (the “**Criteria**”).

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the Criteria, we have identified an exhaustive list of four comparable companies (the “Comparable Companies”). The table below sets out the P/E Ratio and the P/B Ratio of the Company for comparison purposes.

Company name (Stock Code)	Principal activities	Market capitalization as at the Last Trading Day (Note 1) (HK\$'million)	P/E Ratio as at the Last Trading Day (Note 2) (times)	P/B Ratio as at the Last Trading Day (Note 3) (times)	Market capitalization as at the Latest Practicable Date (Note 1) (HK\$'million)	P/E Ratio as at the Latest Practicable Date (Note 2) (times)	P/B Ratio as at the Latest Practicable Date (Note 3) (times)
Shanghai Dazhong Public Utilities Group Co Ltd (1635)	Primarily engaged in (i) gas and supply; (ii) wastewater treatment; (iii) public infrastructure projects; (iv) investments, (v) transportation services; and (vi) financial services	1,761.0	3.74	0.18	1,632.9	3.47	0.16
Binhai Investment Company Limited (2886)	Principally engaged in (i) sales of piped natural gas; (ii) construction and gas pipeline installation services; (iii) gas passing through service; and (iv) value-added service	1,549.2	6.63	0.63	1,632.2	6.98	0.66
China Oil and Gas Group Limited (603)	Primarily engaged in (i) sales and distribution of natural gas and other related products; (ii) gas pipeline construction and connection; (iii) exploitation and production of crude oil and natural gas; and (iv) production and sales of coal-derived clean energy and other related products	1,014.6	12.57	0.25	980.8	12.15	0.24
Beijing Gas Blue Sky Holdings Ltd, formerly Blue Sky Power Holdings Limited (6828)	Primarily engaged in (i) trading and distribution of natural gas; (ii) city gas operation; and (iii) integrated clean energy and new energy business	932.2	9.43	0.61	864.0	8.74	0.56
		Maximum	12.57	0.63		12.15	0.66
		Minimum	3.74	0.18		3.47	0.16
		Average	8.09	0.42		7.84	0.41
The Company							
Based on the closing price on the Last Trading Day		1,896.0	10.70	0.93			
Based on the closing price on the Latest Practicable Date		1,572.0	8.87	0.77			
Based on the Offer Price		751.2	4.24	0.37			

**Notes:**

- For illustration purpose, the market capitalisation are calculated based on, where applicable, the closing price of the share of the respective Comparable Companies on the Last Trading Day and the Latest Practicable Date and the total number of issued shares based on the then latest monthly return of the subject listed company published on the website of the Stock Exchange.
- The P/E Ratio is calculated by dividing the market capitalisation as at the Last Trading Day and the Latest Practicable Date by the profit attributable to owners of the respective company according to their latest financial information.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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3. The P/B Ratio is calculated by dividing their market capitalisation as at the Last Trading Day and the Latest Practicable Date by the net asset value attributable to owners of the respective company according to their latest financial information.

It is noted from the above table that the Comparable Companies recorded P/E Ratio as at the Last Trading Day between approximately 3.74 times to 12.57 times with an average of approximately 8.09 times. The Comparable Companies recorded P/E Ratio as at the Latest Practicable Date between approximately 3.47 times to 12.15 times with an average of approximately 7.84 times. The Company's P/E Ratio based on the Offer Price would be approximately 4.24 times which is within the range but lower than the average of the P/E Ratio as at the Last Trading Day and the Latest Practicable Date of the Comparable Companies.

The P/B Ratio as at the Last Trading Day of the Comparable Companies were between approximately 0.18 times to 0.63 times with an average of approximately 0.42 times. The P/B Ratio as at the Latest Practicable Date of the Comparable Companies were between approximately 0.16 times to 0.66 times with an average of approximately 0.41 times. The Company's P/B Ratio based on the Offer Price would be approximately 0.37 times which is within the range but lower than the average of the P/B ratio as at the Last Trading Day and the Latest Practicable Date of the Comparable Companies. As such, we consider the Offer Price to be not fair and reasonable.

### RECOMMENDATION

In summary, we have considered the following factors and reasons, in particular:

- (i) the Company recorded (i) increase in revenue of approximately 16.4% for FY2025 as compared with that for FY2024; (ii) increase in gross profit of approximately 20.2% for FY2025 as compared with that for FY2024 and gross profit margin has been relatively stable between 22.3% to 24.8% during FY2023 to FY2025; and (iii) net profits for FY2023 to FY2025 were increasing and the net profits recorded for FY2025 increased by approximately 20.2% as compared with that for FY2024, demonstrating that the Group's financial performance in recent years has been satisfactory
- (ii) the Offer Price represents discounts of approximately 52.21%, 60.38%, 51.62%, 44.94% and 36.01% to the closing prices of the Shares on the Latest Practicable Date and the Last Trading Day and the average closing prices of the Shares for the last 5, 10, and 30 consecutive trading days up to and including the Last Trading Day, respectively;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (iii) the Offer Price represents discount of approximately 63.12% to the audited consolidated net asset value of the Group of approximately RMB1.50 per Share (equivalent to approximately HK\$1.75 per Share) as at 31 December 2025 and discount of approximately 61.47% to the unaudited consolidated net asset value of the Group of approximately RMB1.43 per Share (equivalent to approximately HK\$1.62 per Share) as at 30 June 2025 respectively;
- (iv) the Company's P/E ratio and P/B ratio based on the Offer Price are within the range but lower than the average of the P/E and P/B ratio the Comparable Companies as at the Last Trading Day and the Latest Practicable Date;
- (v) the closing price of the Shares increased significantly in the Second Review Period such that the Offer Price represents a discount of approximately 17.1% to the average closing price of Shares during the Second Review Period and substantially below the closing Share price of HK\$1.31 as at the Latest Practicable Date;
- (vi) the historical trading liquidity of the Shares has been generally low in the open market during the First Review Period, but both price and liquidity has increased since the publication of the Joint Announcement during the Second Review Period which may be attributable to market reactions to the Offer and/or prospects of the Group being controlled by the Offeror after the Offer, such level of liquidity and/or price may or may not be sustainable after the Offer,

Accordingly, we are of the view that the Offer Price is not attractive, rendering the Offer not fair and reasonable so far as the Offer Shareholders are concerned after taking into account the above principal factors and reasons as a whole. We recommend the Independent Board Committee to advise, and we ourselves advise, the Offer Shareholders not to accept the Offer.

Nevertheless, the Offer Shareholders should also note that (i) there is no guarantee that the Share price will sustain at a level above the Offer Price and/or after the Offer Period; and (ii) the Offer Shareholders (regardless to their amount of shareholdings) may not be able to realise their investments in the Shares at a price higher than the Offer Price when they are going to dispose of their partial or entire holdings. In such circumstances, the Offer might provide an exit alternative for the Offer Shareholders who would like to realise their investments in the Shares at the Offer Price of HK\$0.626. For those Offer Shareholders who intend to accept the Offer, we would remind them to closely monitor the market price and liquidity of the Shares during the Offer Period, and having regard to their own circumstances, consider selling the Shares in the open

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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market, instead of accepting the Offer, if the net proceeds from such sale of Shares would be higher than that receivable under the Offer. For those Offer Shareholders who intend to dispose of large blocks of Shares in the open market, we would also remind them of the possible difficulty in disposing of their Shares in the open market without creating downward pressure on the market prices of the Shares as a result of the thin trading in the Shares.

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.*

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer. The instructions set out in this Composite Document should be read together with the instructions printed on the Form of Acceptance which form part of the terms of the Offer.

## **1. PROCEDURES FOR ACCEPTANCE OF THE OFFER**

### **1.1 The Offer**

- (a) To accept the Offer, you should complete and sign the Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, to the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in an envelope marked “**CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD. – Offer**”, as soon as possible, and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer (whether in full or in part), you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “**CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD. – Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the

Registrar, no later than 4:00 p.m. on the Closing Date or such other time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code; or

- (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “**CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD. – Offer**” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, no later than 4:00 p.m. on the Closing Date or such other time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code; or
  - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/ custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (iv) if your Shares have been lodged with your investor participant’s account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the number of Share(s) shown in the share certificate is not wholly accepted by you, new share certificate representing the Number of Share(s) to be transferred shown in the Form of Acceptance must be applied for.

- (e) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked “**CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD. – Offer**” to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Share(s) in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) or evidence of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (f) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked “**CHINA GAS INDUSTRY INVESTMENT HOLDINGS CO. LTD. – Offer**” to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to each of First Shanghai and/or the Offeror and/or any of their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it/they were delivered to the Registrar with the Form of Acceptance.

- (g) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (subject to the Offer becoming unconditional) or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code and the Registrar has recorded that the Form of Acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
  - (ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraph of this paragraph (g)); or
  - (iii) insert the total number of Shares for which the Offer is accepted. If no number is inserted in the box title “Number of Share(s) to be transferred” or the number of Shares inserted in the Form of Acceptance is greater than the number of Shares held by you or is greater or smaller than the number of Shares represented by the certificate for Shares tendered for acceptance of the Offer, the Form will be returned to you for correction and resubmission. Any corrected and valid form must be resubmitted and received by the Registrar on or before the latest time of acceptance of the Offer in order for it to be counted towards fulfilling the acceptance condition; or
  - (iv) certified by the Registrar or the Stock Exchange. If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.

- (h) In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholder accepting the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (i) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

## **1.2 Return of documents**

If the Offer do not become, or is not declared, unconditional within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar will be returned to the Independent Shareholders who have accepted the Offer by ordinary post at the Independent Shareholders' own risk as soon as possible but in any event no later than seven (7) Business Days after the Offers have lapsed.

## **2. SETTLEMENT UNDER THE OFFER**

Provided that a valid Form of Acceptance and the relevant share certificate(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order and in all respects and have been received by the Registrar by 4:00 p.m. on the Closing Date, a cheque or a banker's cashier order for the amount due to each of the Independent Shareholders, who accept the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Offer, will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days following the later of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Registrar to render each such acceptance complete and valid and the date on which the Offer become, or are declared, unconditional.

Settlement of the consideration to which any Independent Shareholder is entitled under the Offer will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty in respect of the Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder.

Cheque(s) not presented for payment within six (6) months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

No fraction of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

### **3. ACCEPTANCE PERIOD AND REVISIONS**

- (a) In order for the Offer to be valid, the Form of Acceptance must be received by the Registrar, by 4:00 p.m. on the Closing Date in accordance with the instructions printed thereon or have been extended or revised with the consent of the Executive and in accordance with the Takeovers Code. The Offer is conditional upon the Offeror having received acceptances in respect of the Offer Shares which, together with the Shares acquired or to be acquired by the Offeror and the parties acting in concert with it before or during the Offer Period, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company by 4:00 p.m. on the Closing Date.
- (b) The Offeror reserves the right to revise the terms of the Offer after the despatch of this Composite Document until such day as it may determine and in accordance with the Takeovers Code. If the Offeror revises the terms of the Offer, all the Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.
- (c) If the Offer is extended or revised, announcement of such extension or revision will state the next closing date or, if the Offer has become unconditional, the announcement may contain a statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer, and an announcement will be released. The revised Offers will be kept open for at least fourteen (14) days thereafter.
- (d) Any acceptance of the relevant revised Offer shall be irrevocable unless and until the Independent Shareholders who accept the Offer become entitled to withdraw their acceptance under the paragraphs headed "6. Right of Withdrawal" of this Appendix below and duly do so.

- (e) The Offeror and the Company will jointly issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange and the Company by no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired.

#### **4. NOMINEE REGISTRATION**

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owner of the Shares whose investments are registered in the names of a nominee to provide instructions to their nominee of their intentions with regards to the Offer.

#### **5. ANNOUNCEMENTS**

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offer. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether, amongst other information required under Rule 19.1 of the Takeovers Code, the Offer have been revised, extended, or have expired or have become or been declared unconditional.

The announcement must state the following:

- (i) the total number of Offer Shares for which acceptances for the Offer have been received;
- (ii) the number of Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period; and
- (iii) the total number of Shares acquired or agreed to be acquired as the case may be in connection during the Offer Period by the Offeror and persons acting in concert with it.

The announcement must also include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number or principal amount of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfil the acceptance conditions set out in section 1 of this Appendix, and which have been received by the Registrar (in respect of the Offer) respectively no later than 4:00 p.m. on the Closing Date shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the Offer which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

## **6. RIGHT OF WITHDRAWAL**

- (a) The Offer is conditional upon fulfilment of the conditions set out in the “Letter from First Shanghai” in this Composite Document. Acceptance of the Offer tendered by any Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below in sub-paragraph (b) below or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from the first Closing Date if the Offer has not by then become unconditional as to acceptances. An acceptor of the Offer may withdraw its/his/her acceptance by lodging a notice in writing signed by the acceptor (or its/his/her agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraphs headed “5. Announcements” of this Appendix above, as set out in Rule 19.2 of the Takeovers Code, the Executive may require the Independent Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that rule are met.
- (c) In such case, when any Independent Shareholder(s) withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days thereof, return by ordinary post the share certificate(s), and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the relevant Independent Shareholder(s).

**7. OVERSEAS SHAREHOLDERS**

As the Offer to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdictions in which they are resident, Overseas Shareholders should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Shareholders in respect of such jurisdictions).

**Any acceptance by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.**

**8. TAXATION ADVICE**

Independent Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, the Joint Financial Advisers, First Shanghai, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer. All Independent Shareholders and/or beneficial owners of the Shares shall be solely responsible for their liabilities (including tax liabilities) in relation to the Offer.

**9. GENERAL**

- (a) All communications, notices, Form of Acceptance, share certificate(s), transfer receipts(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents by post at their own risk, and the Offeror and parties acting in concert with it, the Joint Financial Advisers, First Shanghai, the Company, the Registrar or any of their respective ultimate beneficial owners, directors and professional advisers or the company secretary of the Company, and any other parties involved in the Offer and any of their respective agents do not accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.

- (b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer, respectively.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance to any person to whom the Offer is made will not invalidate either the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or First Shanghai and/or such person or persons as of them may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any Independent Shareholders will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that their Shares under the Offer (as the case may be) are free from all third party rights and Encumbrances whatsoever and together with all rights accruing or attaching thereto including in the case of the Shares, the right to receive in full all dividends and distributions recommended, declared, made or paid on or after the date of this Composite Document.
- (g) References to the Offer in this Composite Document and the Form of Acceptance shall include any revision and/or extension thereof.
- (h) The making of the Offer to the Overseas Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each Overseas Shareholder who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of all relevant jurisdictions in connection therewith, including, but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Such Overseas Shareholders shall be fully responsible for the payment of any transfer or cancellation or other taxes and duties due by such Overseas Shareholders in respect of the relevant jurisdictions. The Overseas Shareholders are recommended to seek professional advice on deciding whether or not to accept the Offer.

- (i) Acceptances of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror and the Company that the number of the Shares in respect of which as indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.
- (j) Subject to the Takeovers Code, the Offeror reserves the right to notify any matter (including the making of the Offer) to all or any Independent Shareholders and with registered address(es) outside Hong Kong or whom the Offeror or the Joint Financial Advisers or First Shanghai knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (k) In making their decision, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance shall not be construed as any legal or business advice on the part of the Offeror and parties acting in concert with it, the Joint Financial Advisers, First Shanghai, the Company, the Independent Financial Adviser or their respective professional advisers. The Independent Shareholders should consult their own professional advisers for professional advice.
- (l) All acceptances, instructions, authorities and undertakings given by the Independent Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.
- (m) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offer in Hong Kong and the operating rules of the Stock Exchange.
- (n) In the event of any inconsistency, the English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their Chinese text.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following table is a summary of certain audited consolidated financial results of the Group for the three financial years ended 31 December 2023, 2024 and 2025, as extracted from the published annual reports of the Company for the relevant years.

	<b>For the years ended 31 December</b>		
	<b>2025</b>	<b>2024</b>	<b>2023</b>
Revenue	1,529,116,494	1,313,611,769	1,491,153,988
Cost of revenue	<u>(1,150,164,605)</u>	<u>(998,364,935)</u>	<u>(1,159,051,046)</u>
<b>Gross profit</b>	378,951,889	315,246,834	332,102,942
Selling and marketing expenses	(2,575,393)	(2,318,990)	(1,893,235)
Administrative expenses	(41,423,553)	(47,280,293)	(54,391,469)
Credit loss allowance for trade receivables	(7,504,243)	(3,078,422)	(15,363,770)
Research and development expenses	(81,203,296)	(66,252,240)	(73,603,329)
Other income	14,544,753	9,639,108	5,380,401
Other gains/losses, net	<u>(46,079,327)</u>	<u>(28,026,097)</u>	<u>(17,751,284)</u>
<b>Operating profit</b>	214,710,830	177,929,900	174,480,256
Finance costs, net	<u>(12,923,017)</u>	<u>(18,476,621)</u>	<u>(21,715,449)</u>
<b>Profit before income tax</b>	201,787,813	159,453,279	152,764,807
Income tax expense	<u>(45,521,476)</u>	<u>(29,406,635)</u>	<u>(24,688,546)</u>
<b>Profit for the year attributable to owners of the Company</b>	<u>156,266,337</u>	<u>130,046,644</u>	<u>128,076,261</u>
<b>Other comprehensive (expense)/ income, net of tax</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences	<u>(797,645)</u>	<u>427,312</u>	<u>(479,050)</u>
<b>Total comprehensive income for the year</b>	<u>155,468,692</u>	<u>130,473,956</u>	<u>127,597,211</u>
<b>Total comprehensive income attributable to owners of the Company</b>	<u>155,468,692</u>	<u>130,473,956</u>	<u>127,597,211</u>
<b>Earnings per Share – Basic and diluted</b>	<u>0.13</u>	<u>0.11</u>	<u>0.11</u>

Save as disclosed, there was no item of any income or expense which was material in respect of the audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2023, 2024 and 2025.

There was no dividend declared by the Company for each of the three years ended 31 December 2023, 2024 and 2025.

A qualified opinion on the Group's consolidated financial statements for the year ended 31 December 2023 (the "**Qualified Opinion**") was issued by the Auditor. The Qualified Opinion was in connection with:

- (i) three overdue receivables of the Company as at 31 December 2020, 2021 and 2022 resulting from the Loans (the "**Loan Receivables**"); and
- (ii) the interest bearing note investment in the principal amount of HK\$80,000,000 (approximately RMB66,400,000) (the "**Note Investment**") pursuant to a loan note agreement entered into between Company and Union Space Group Limited, which was repayable on 17 December 2021, the repayment of which remained outstanding as at 31 December 2022.

Details of the Loan Receivables and the Note Investment were set out in the announcement of the Company dated 23 March 2022 in relation to key findings of independent investigation.

The Auditor modified their opinion for the Group's consolidated financial statements for the year ended 31 December 2022 on:

- (i) whether the write-offs of the Loan Receivables and the Note Investment recognised during the year ended 31 December 2022 were free from material misstatement; and
- (ii) the Auditor's limitations on the scope of work on the comparability of the figures for the year ended 31 December 2022 and the figures for the year ended 31 December 2021 included in those consolidated financial statements.

The Auditor's opinion on the Group's consolidated financial statements for the year ended 31 December 2023 was modified because of the possible effects of the above matter on the comparability of the figures for the year ended 31 December 2023 and the corresponding figures for the year ended 31 December 2022 in the consolidated statement of comprehensive income.

As disclosed in the Company's announcement dated 15 April 2026, the Company (as assignor) had entered into the Assignment of Loans with the Offeror (as assignee) of even date, whereby all the interests and ancillary benefits in (i) the Loans together with (ii) the interests accrued thereon were assigned to the Offeror at the total consideration of RMB118,000,000, subject to approval of the independent Shareholders of the Company.

The Auditor did not issue any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern in respect of the Group's audited consolidated financial statements for each of the two financial years ended 31 December 2024 and 2025.

There was no change in accounting policy applicable to the three years ended 31 December 2023, 2024 and 2025 which rendered the financial figures not comparable to a material extent.

## **2. FINANCIAL INFORMATION OF THE GROUP**

The Company is required to set out or refer in this Composite Document the consolidated statements of financial position, the consolidated statements of cash flows, and any other primary statements as shown in (i) the audited consolidated financial statements of the Group for the financial year ended 31 December 2025 (the “**2025 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 (the “**2024 Financial Statements**”); and (iii) the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 (the “**2023 Financial Statements**”), together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2025 Financial Statements are set out from page 106 to page 216 in the annual report of the Company for the financial year ended 31 December 2025 (the “**2025 Annual Report**”). The 2025 Annual Report of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cgiihdgs.com](http://www.cgiihdgs.com)), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0422/2026042200175.pdf>

The 2024 Financial Statements are set out from page 109 to page 220 in the annual report of the Company for the financial year ended 31 December 2024 (the “**2024 Annual Report**”). The 2024 Annual Report of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cgiihdgs.com](http://www.cgiihdgs.com)), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042905248.pdf>

The 2023 Financial Statements are set out from page 117 to page 256 in the annual report of the Company for the financial year ended 31 December 2023 (the “**2023 Annual Report**”). The 2023 Annual Report of the Company was posted on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.cgiihdgs.com](http://www.cgiihdgs.com)), and is accessible via the following hyperlinks:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603575.pdf>

**3. STATEMENT OF INDEBTEDNESS**

At the close of business on 31 March 2026, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as follows:

**Bank Borrowings**

The Group had outstanding bank borrowings of approximately RMB293,000,000. The amounts were unsecured and unguaranteed.

**Lease Liabilities**

The Group had lease liabilities of approximately RMB934,000, which were due within one year.

**Commitment**

The Group had capital expenditure contracted but not provided for in the consolidated financial statements in respect of the acquisition of property, plant and equipment of approximately RMB18,995,000.

**Contingent liabilities or guarantees**

The Group had no litigations or claims of material importance as stated in the paragraph headed “Litigation” in Appendix IV to this Composite Document. Accordingly, the Group had no material contingent liabilities as of 31 March 2026. The Group had no guarantees as of 31 March 2026.

**Disclaimers**

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, the Group did not have any outstanding debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, bank overdrafts and loans, other loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase commitments, lease obligations, guarantees or other material contingent liabilities, at the close of business on 31 March 2026.

The Board has confirmed that there has not been any material change in the indebtedness or contingent liabilities of the Group since 31 March 2026 and up to and including the Latest Practicable Date.

**4. MATERIAL CHANGE**

The Directors confirm that, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

As disclosed in the announcement of the Company dated 15 April 2026, the Company, as assignor, entered into the Assignments of Loans with the Offeror, as assignee, for assignment of all the interests and ancillary benefits in the Loans under relevant loan agreements together with the interests accrued thereon at a consideration equal to the aggregate principal amount of the outstanding Loans (i.e. RMB118,000,000). Completion of the Assignments of the Loans is conditional upon, among others, compliance with the requirements of relevant regulatory authorities, including obtaining approval from the independent Shareholders of the Company, and is expected to take place before 30 June 2026.

**1. RESPONSIBILITY STATEMENT**

As at the date of this Composite Document, Mr. Li Jun (李軍) is the sole director of the Offeror.

As at the date of this Composite Document, Mr. Li Jun (李軍) is the sole director of Morewisdom, which is the general partner and fund manager of Jiaxing Wisdom holding the Offeror and the investment in the Sale Shares.

As at the date of this Composite Document, Mr Li Jun (李軍) and Chengdu Yuanming Juyu are the general partners of Hainan Morewisdom.

As at the date of this Composite Document, Mr. Song Jiajun (宋佳駿) and Ms. Song Binyang (宋玢陽) are the general partners of Chengdu Yuanming Juyu.

Mr. Li Jun (李軍), Mr. Song Jiajun (宋佳駿) and Ms. Song Binyang (宋玢陽) jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Group and the Directors) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Group and the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

**2. MARKET PRICES**

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last trading day in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

<b>Date</b>	<b>Closing price per Share HK\$</b>
30 September 2025	0.71
31 October 2025	0.69
28 November 2025	0.80
31 December 2025	0.90
28 January 2026 (being the Last Trading Day)	1.58
30 January 2026	1.58
27 February 2026	1.58
31 March 2026	1.36
30 April 2026 (being the Latest Practicable Date)	1.31

During the Relevant Period, the highest closing price of the Shares was HK\$1.75 per Share as quoted on the Stock Exchange on 16 March 2026 and the lowest closing price of the Shares was HK\$0.64 per Share as quoted on the Stock Exchange on 19 September 2025, 22 September 2025, 12 November 2025, 13 November 2025 and 14 November 2025.

### **3. DEALINGS IN SECURITIES OF THE COMPANY**

Save for the Share Purchase Agreement, none of the Offeror, directors of the Offeror or any party acting in concert with it has dealt in the Shares and any outstanding options, derivatives, warrants or other securities convertible into the Share during the Relevant Period.

### **4. INTERESTS AND OTHER ARRANGEMENTS**

The Offeror confirms that, as at the Latest Practicable Date:

- (a) save for the Sale Shares, none of the Offeror, directors of the Offeror or any person acting in concert with it owned or had control or direction over any voting rights or rights over the Shares;
- (b) save for the Irrevocable Undertaking, the Offeror or any person acting in concert with it had not received any irrevocable commitment to accept or reject the Offer;
- (c) none of the Offeror, directors of the Offeror or any person acting in concert with it held convertible securities, warrants, or options;
- (d) there was no outstanding derivative in respect of the securities in the Company which had been entered into by the Offeror or any person acting in concert with it;
- (e) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had been entered into between the Offeror or any person acting in concert with the Offeror and any other person;
- (f) there was no agreement or arrangement to which the Offeror was a party which related to circumstances in which it might or might not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (g) there was no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with any of it had borrowed or lent;
- (h) save for the consideration under the Deed of Assignment and the Share Purchase Agreement, the Vendor and/or the parties acting in concert with it had not and would not receive any other consideration, compensation or benefit in whatever form from the Offeror or any parties acting in concert with it;

- (i) save for the Deed of Assignment and the Share Purchase Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Vendor and parties acting in concert with it on one hand, and the Offeror and parties acting concert with on the other hand;
- (j) save for the Share Purchase Agreement, Letter of Undertaking, Deed of Warranty, Deed of Assignment and the Assignments of Loans, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) any Shareholders; and (b) the Offeror and any parties acting in concert with it;
- (k) there was no arrangement whereby any Director would be given any benefit as compensation for loss of office or otherwise in connection with the Offer;
- (l) save for the Deed of Assignment and the Share Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or any party acting in concert with it and any Directors or Shareholders having any connection with or dependent upon the Offer; and
- (m) save for the security under the margin finance facility letter with First Shanghai dated 28 January 2026, there was no agreement, arrangement or understanding that the Offer Shares to be acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons.

## **5. CONSENTS AND QUALIFICATIONS OF PROFESSIONAL ADVISERS**

The followings are the qualifications of the experts whose letter or opinion are contained in this Composite Document:

<b>Name</b>	<b>Qualifications</b>
CMB International Capital Limited	a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being one of the Joint Financial Advisers
CEB International Capital Corporation Limited	a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being one of the Joint Financial Advisers

<b>Name</b>	<b>Qualifications</b>
First Shanghai Securities Limited	a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined in the SFO, being the offer agent appointed by the Offeror

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter(s), advice(s) and/or reference(s) to its name in the form and context in which they respectively appear.

## **6. GENERAL**

As at the Latest Practicable Date:

- (a) The Offeror was incorporated in the BVI with limited liability on 25 August 2025. The Offeror is an investment holding company. Please refer to the section headed “Information on the Offeror” under the “Letter from First Shanghai” in this Composite Document for details of the Offeror. The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The Hong Kong correspondence address of the Offeror is Room 509B, Block B, 5/F, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hung Hom, Kowloon, Hong Kong.
- (b) The sole director of the Offeror is Mr. Li Jun (李軍), whose address is Room 509B, Block B, 5/F, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hung Hom, Kowloon, Hong Kong.
- (c) The general partners of Chengdu Yuanming Juyu (a general partner of Hainan Morewisdom) are Mr. Song Jiajun (宋佳駿) and Ms. Song Binyang (宋玢陽), whose address is Room 509B, Block B, 5/F, Hunghom Commercial Centre, 37-39 Ma Tau Wai Road, Hung Hom, Kowloon, Hong Kong.
- (d) CMB International Capital Limited is one of the Joint Financial Advisers to the Offeror, whose registered office is 45/F, Champion Tower, 3 Garden Road, Central, Hong Kong.
- (e) CEB International Capital Corporation Limited is one of the Joint Financial Advisers to the Offeror, whose registered office is 34/F – 35/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong.
- (f) First Shanghai Securities Limited is the offer agent to the Offeror, whose registered office is 19/F, Wing On House, 71 Des Voeux Road Central, Central, Hong Kong.

- (g) In the event of inconsistency, the English version of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

#### **7. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection on (i) the website of the Company ([www.cgiihdgs.com](http://www.cgiihdgs.com)); and (ii) the website of the SFC ([www.sfc.hk](http://www.sfc.hk)), from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the Deed of Assignment;
- (c) the Deed of Warranty;
- (d) the Irrevocable Undertaking;
- (e) the Share Purchase Agreement;
- (f) the letter from First Shanghai, the text of which is set out on pages 14 to 30 of this Composite Document;
- (g) the written consents referred to under the paragraph headed “5. Consents and Qualifications of Professional Advisers” in this Appendix; and
- (h) this Composite Document and the accompanying Form of Acceptance.

## 1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror, Mr. Song Jiajun (宋佳駿) and Ms. Song Binyang (宋玢陽)) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were as follows:

<i>Authorised:</i>	<i>US\$</i>
<u>2,000,000,000</u> Shares	<u>200,000</u>
<i>Issued and fully paid:</i>	<i>HK\$</i>
<u>1,200,000,000</u> Shares	<u>120,000</u>

All of the existing issued Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting. The Shares are listed and traded on the Stock Exchange. No Shares are listed, or dealt in, on any other stock exchange, nor is any listing of or permission to deal in the Shares being, or proposed to be sought, on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities of the Company.

The Company has not issued any Shares since 31 December 2025, the date to which the latest audited financial statements of the Company were made up.

### 3. DISCLOSURE OF INTERESTS

**(a) Directors' and the chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code.

**(b) Substantial Shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons or entities (other than a Director or the chief executive of the Company) who had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital and recorded in the register kept by the Company pursuant to section 336 of the SFO were as follows:

Name of Shareholders	Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of the Company's issued share capital
HK Huitang Zhihe <sup>(2)</sup>	Beneficial owner	431,904,000(L)	35.99%
Shanghai Huitang Zhihe Investment Co., Ltd.*(上海惠唐邨和投資有限公司)("SH Huitang Zhihe") <sup>(2)</sup>	Interest in a controlled corporation	431,904,000(L)	35.99%
HBIS Company <sup>(2)</sup>	Interest in a controlled corporation	431,904,000(L)	35.99%

Name of Shareholders	Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of the Company's issued share capital
HBIS Hansteel <sup>(2)</sup>	Interest in a controlled corporation	431,904,000(L)	35.99%
HBIS <sup>(2)</sup>	Interest in a controlled corporation	431,904,000(L)	35.99%
The Offeror <sup>(3)</sup>	Beneficial owner	468,096,000(L)	39.01%
Tianjin Tangde Technology Co., Ltd.* (天津唐德科技有限公司) ("Tianjin Tangde") <sup>(3)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%
Beijing Tangde Qingneng Enterprise Management Consulting Co., Ltd.* (北京唐德清能企業管理諮詢有限公司)("Beijing Tangde Qingneng") <sup>(3)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%
Jiaxing Morewisdom Tangde Equity Investment Partnership (Limited Partnership)* (嘉興摩予渡唐德股權投資合夥企業(有限合夥)) ("Jiaxing Morewisdom") <sup>(3)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%
Sichuan Dingxiang Equity Investment Fund Co., Ltd.* (四川鼎祥股權投資基金有限公司) ("Sichuan Dingxiang") <sup>(4)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%
Morewisdom (Shanghai) Private Equity Fund Management Co., Ltd.* (摩予渡(上海)私募基金管理有限公司) ("Morewisdom") <sup>(4)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%
Mr. Song Jiajun (宋佳駿) <sup>(4)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%

Name of Shareholders	Nature of interest	Number of Shares interested <sup>(1)</sup>	Approximate percentage of the Company's issued share capital
Ms. Song Binyang (宋玢陽) <sup>(4)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%
Morewisdom (Hainan) Enterprise Management Consulting Partnership (Limited Partnership)* (摩予渡(海南)企業管理諮詢合夥企業(有限合伙)) (“Hainan Morewisdom”) <sup>(4)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%
Mr. LI Jun (李軍) <sup>(4)</sup>	Interest in a controlled corporation	468,096,000(L)	39.01%
Chengdu Yuanming Juyu Enterprise Management Partnership (General Partnership)* (成都源銘聚裕企業管理合夥企業(普通合夥)) (“Chengdu Yuanming Juyu”) <sup>(4)</sup>	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 HBIS Chengsteel, HBIS Hansteel and HBIS Tangsteel as to approximately 4.28%, 41.29% and 19.30%, 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 64.87% equity interest in HBIS Company. By virtue of the SFO, each of SH Huitang Zhihe, HBIS Company, HBIS Hansteel and HBIS was deemed to be interested in the same number of Shares held by HK Huitang Zhihe.
- (3) The Offeror is wholly owned by Tianjin Tangde, a wholly-owned subsidiary of Beijing Tangde Qingneng which is in turn wholly owned by Jiaxing Morewisdom.

- (4) Jiaxing Morewisdom is beneficially owned as to 78% by Sichuan Dingxiang, 10% by Yanran (Hainan) Investment Management Partnership (Limited Partnership)\* (研然(海南)投資管理合夥企業), 10% by Hainan Zhongfang Energy Co., Ltd.\* (海南眾方能源有限公司) and 2% by Morewisdom. Morewisdom is the general partner and fund manager of Jiaxing Morewisdom.

Sichuan Dingxiang is owned as to 80% by Mr. Song Jiajun (宋佳駿) and as to 20% by Ms. Song Binyang (宋玢陽).

Morewisdom is owned as to 98% by Hainan Morewisdom and as to 2% by Morewisdom (Hainan) Industrial Development Co., Ltd.\* (摩予渡(海南)實業發展有限公司).

Hainan Morewisdom is owned as to 40% by Mr. LI Jun (李軍), as to 30% by Chengdu Yuanming Juyu, as to 20% by Tianjin Laiwei Materials Co., Ltd.\* (天津來巍物資有限公司) and as to 10% by Shanghai Jitailai Enterprise Management Consulting Partnership (Limited Partnership)\* (上海吉泰萊企業管理諮詢合夥企業(有限合夥)). Mr. Li Jun and Chengdu Yuanming Juyu are the general partners of Hainan Morewisdom.

Chengdu Yuanming Juyu is owned as to 80% by Mr. Song Jiajun (宋佳駿) and as to 20% by Ms. Song Binyang (宋玢陽). Both of Mr. Song Jiajun (宋佳駿) and Ms. Song Binyang (宋玢陽) are the general partners of Chengdu Yuanming Juyu.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person or entities (other than a Director or the chief executive of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which are required to be notified to the Company and the Stock Exchange pursuant to 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, or who were directly or indirectly interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital and recorded in the register kept by the Company pursuant to section 336 of the SFO.

#### 4. SHAREHOLDINGS AND DEALINGS IN SECURITIES

- (a) During the Relevant Period and up to the Latest Practicable Date,
- (i) none of the Directors had owned or controlled, or had dealt for value in, any Shares or any securities, convertible securities, warrants, options, or derivatives in respect of any Shares or securities of the Company; and
  - (ii) none of the Company and the Directors had owned or controlled, or had dealt for value in, any shares or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror;
- (b) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were owned or controlled or dealt with by a subsidiary of the Company or by a pension fund of members of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in

concert under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) during the Offer Period and up to the Latest Practicable Date;

- (c) no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code had any dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the Latest Practicable Date;
- (d) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company during the Offer Period and up to the Latest Practicable Date;
- (e) none of the Directors held any beneficial shareholdings in the Company and accordingly none of them is entitled to accept or reject the Offer; and
- (f) neither the Company nor any of the Directors has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), save for any borrowed relevant securities which have been either on-lent or sold.

## **5. ARRANGEMENTS AFFECTING DIRECTORS**

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) no agreement or arrangement was entered into between any Director and any other person which was conditional or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (c) no material contract was entered into by the Offeror in which any Director had a material personal interests.

## 6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into service agreement with the following Director within 6 months before the commencement of the Offer Period:

Name	Position	Commencement date	Term of service	Amount of remuneration	Variable remuneration
Mr. Zhang Wenli	Non-executive Director	20 January 2026	Three years	A director's fee of HK\$600,000 per annum	N/A

Save as disclosed above, as at the Latest Practicable Date, none of Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) have been entered into or amended within 6 months before the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed-term contracts with more than 12 months to run irrespective of the notice period.

## 7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinions, letters, reports or advices which are contained in this Composite Document:

Name	Qualification
Nuada Limited	a corporation licensed by the SFC to carry out Type 6 (advising on Corporate Finance) regulated activity under the SFO

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent as to the issue of this Composite Document with the inclusion herein of its letters, reports, advices, opinions and/or references to its name in the form and context in which they respectively appear.

## 8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any material litigation or arbitration and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

**9. MATERIAL CONTRACTS**

Save as disclosed below, the members of the Group had not entered into any material contracts (not being a contract entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) within the 2 years before the commencement the Offer Period up to and including the Latest Practicable Date:

- the Assignments of Loans, details of which are set out on in the “Letter From First Shanghai” in this Composite Document and in the Company’s announcement dated 15 April 2026.

**10. OTHER DISCLOSURE OF INTERESTS**

There was no understanding, arrangement, agreement or special deal between (1) any Shareholder on the one hand; and (2) the Company, its subsidiaries or associated companies on the other hand.

**11. GENERAL**

- (a) The registered office of the Company is situated at Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is Unit 2704A, 27th Floor, Nine Queen’s Road Central, 9 Queen’s Road Central, Hong Kong.
- (c) As at the Latest Practicable Date, the executive Directors are Mr. SONG Changjiang and Mr. SUN Changhuan; the non-executive Directors are Mr. ZHANG Wenli and Ms. NG Shuk Ming; and the independent non-executive Directors are Mr. SIU Chi Hung, Mr. XIAO Huan Wei and Ms. LI Chun Elsy.
- (d) The company secretary of the Company is Mr. Hon Ming Sang, who is a CFA charterholder, a member of The Hong Kong Society of Financial Analysts, a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute UK & Ireland.
- (e) The Hong Kong branch share registrar and transfer agent of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (f) The main business address of Nuada Limited, the Independent Financial Adviser, is at Unit 7, 10/F, Hing Yip Commercial Centre, 272-284 Des Voeux Road Central, Sheung Wan, Hong Kong.
- (g) In the event of inconsistency, the English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts.

## **12. DOCUMENTS ON DISPLAY**

In addition to the documents relating to the Offeror as set out in the paragraph headed “7. Documents on Display” in Appendix III to this Composite Document, copies of the following documents will be available for inspection on (i) the website of the SFC (<http://www.sfc.hk>) and (ii) the website of the Company ([www.cgiihldgs.com](http://www.cgiihldgs.com)), from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum of association and articles of association of the Company;
- (b) the annual reports of the Company for each of the years ended 31 December 2023, 2024 and 2025;
- (c) the written consent referred to in the section headed “7. Qualification and Consent of Expert” in this Appendix;
- (d) the letter from the Board, the text of which is set out on pages 31 to 44 of this Composite Document;
- (e) the letter from the Independent Board Committee, the text of which is set out on pages 45 to 46 of this Composite Document;
- (f) the letter from the Independent Financial Adviser, the text of which is set out on pages 47 to 83 of this Composite Document;
- (g) the contracts referred to in the paragraph headed “9. Material Contracts” in this Appendix;
- (h) the service contract referred to in the paragraph headed “6. Directors’ Service Contracts” in this Appendix; and
- (i) this Composite Document and the accompanying Form of Acceptance.