



TL NATURAL GAS HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8536

2026 Interim Report

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This report, for which the directors (the “Directors”) of TL Natural Gas Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”, “we” or “our”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

Unless otherwise stated, all monetary figures are expressed in Renminbi (“RMB”).

In the context of this report, compressed natural gas (“CNG”) refers to natural gas that has been compressed to a high density through high pressure and is used as a clean alternative fuel for vehicles. Liquefied natural gas (“LNG”) refers to natural gas that has been converted to liquid form.

This report will remain on the “Latest Listed Company Information” page on the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company’s website at www.tl-cng.com.



UNAUDITED INTERIM RESULTS

The board of Directors (the “Board”) is pleased to report the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2026 (the “Period”), together with the unaudited comparative figures for the corresponding period in 2025, are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June	
		2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
REVENUE	4	40,739	42,882
Cost of sales		(38,400)	(39,263)
Gross profit		2,339	3,619
Other income, gains and other losses	5	77	88
Impairment losses on trade receivables, net		–	(7)
Selling and distribution expenses		(268)	(285)
Administrative expenses		(6,926)	(6,080)
Finance costs	7	(29)	(14)
LOSS BEFORE TAXATION	6	(4,807)	(2,679)
Taxation	8	–	–
LOSS FOR THE PERIOD		(4,807)	(2,679)
LOSS PER SHARE	9	RMB(2.26) cents	RMB(1.46) cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
LOSS FOR THE PERIOD	(4,807)	(2,679)
OTHER COMPREHENSIVE EXPENSES		
<i>Item that maybe reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(4)	–
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of the Company's financial statements	(548)	(298)
OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD, NET OF TAX	(552)	(298)
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD	(5,359)	(2,977)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	11,503	12,663
Right-of-use assets	11	2,109	2,022
Other intangible assets		38	45
Deferred tax assets		236	236
Advance payments for non-current assets		1,627	1,627
Total non-current assets		15,513	16,593
CURRENT ASSETS			
Inventories		55	99
Trade receivables	12	1,344	1,795
Prepayments and other receivables		10,964	10,868
Bank balances and cash		26,115	31,001
Total current assets		38,478	43,763
CURRENT LIABILITIES			
Trade payables	13	–	173
Other payables and accruals		4,783	5,543
Lease liabilities		773	728
Tax payables		2,692	2,737
Total current liabilities		8,248	9,181
NET CURRENT ASSETS		30,230	34,582
TOTAL ASSETS LESS CURRENT LIABILITIES		45,743	51,175
NON-CURRENT LIABILITY			
Lease liabilities		445	590
Total non-current liability		445	590
NET ASSETS		45,298	50,585

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(cont'd)*

As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
EQUITY			
Share capital	14	7,280	7,280
Reserves		38,018	43,305
TOTAL EQUITY		45,298	50,585



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital	Share premium	Share option reserve	Capital reserve (note a)	Other reserve (note c)	Exchange fluctuation reserve	Statutory reserve (note b)	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	6,210	83,829	4,300	17,350	(1,019)	5,346	2,112	(64,830)	53,298
Loss for the period	-	-	-	-	-	-	-	(2,679)	(2,679)
Other comprehensive expenses for the period:									
Exchange differences on translation of the Company's financial statements	-	-	-	-	-	(298)	-	-	(298)
Total comprehensive expenses for the period	-	-	-	-	-	(298)	-	(2,679)	(2,977)
Issue of shares, net of transaction costs (note 14)	1,070	4,489	-	-	-	-	-	-	5,559
Share options lapsed	-	-	(4,300)	-	-	-	-	4,300	-
At 30 June 2025 (unaudited)	7,280	88,318	-	17,350	(1,019)	5,048	2,112	(63,209)	55,880
At 1 January 2026 (audited)	7,280	88,318	75	17,350	-	4,744	2,112	(69,294)	50,585
Loss for the period	-	-	-	-	-	-	-	(4,807)	(4,807)
Other comprehensive expenses for the period:									
Exchange differences on translation of foreign operation	-	-	-	-	-	(4)	-	-	(4)
Exchange differences on translation of foreign operations	-	-	-	-	-	(548)	-	-	(548)
Total comprehensive expenses for the period	-	-	-	-	-	(552)	-	(4,807)	(5,359)
Equity-settled share option arrangements (note 15)	-	-	72	-	-	-	-	-	72
At 30 June 2026 (unaudited)	7,280	88,318	147	17,350	-	4,192	2,112	(74,101)	45,298

Notes:

- The capital reserve of the Group represents the paid-up capital of the companies comprising the Group prior to the incorporation of the Company and the reserve arising from the reorganisation.
- In accordance with the Company Law of the People's Republic of China ("PRC"), the subsidiary of the Company which is a domestic enterprise is required to allocate 10% of its profit after tax, as determined in accordance with the relevant PRC accounting standards, to its statutory reserve until the reserve reaches 50% of its registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.
- During the year ended 31 December 2024, the Group had acquired additional interest of Guangzhou Jinbao Technology Co. Ltd. from the non-controlling interest at nil consideration. The Group recognised a decrease in equity attributable to owners of the Company of RMB1,019,000. The amount represented the difference between the consideration paid and the proportionate share of the carrying amount of the net assets attributable to the relevant interest upon the acquisition of additional interest in a subsidiary. During the year ended 31 December 2025, Guangzhou Jinbao Technology Co. Ltd. was deregistered and the reserve was transferred to accumulated losses.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(4,634)	(2,769)
INVESTING ACTIVITIES		
Interest received	62	75
Additions of property, plant and equipment	–	(44)
Net cash from investing activities	62	31
FINANCING ACTIVITIES		
Interest paid	(29)	(14)
Repayment of principal of lease liabilities	(483)	(286)
Proceeds from issue of shares	–	6,018
Transaction costs attributable to issue of shares	–	(459)
Net cash (used in) from financing activities	(512)	5,259
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,084)	2,521
Cash and cash equivalents at beginning of period	31,001	29,437
Effect of foreign exchange rate changes, net	198	143
CASH AND CASH EQUIVALENTS AT END OF PERIOD	26,115	32,101



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Stock Exchange. The registered office address of the Company is Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311 Grand Cayman KY1-1209, Cayman Islands. In the opinion of the Directors, the holding company and the ultimate holding company of the Company are Yongsheng Enterprise Limited and Hongsheng Enterprise Limited, respectively, which are incorporated in British Virgin Islands (“BVI”).

The Group is principally engaged in the sale of compressed natural gas and liquefied natural gas and transmission service for natural gas.

The condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of the GEM Listing Rules.

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on historical cost basis. The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2026 for the preparation of the Group’s condensed consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the classification and measurement of financial instruments</i>
Amendments to HKFRS Accounting Standards	<i>Annual improvements to HKFRS Accounting Standards – Volume 11</i>

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact to the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4 REVENUE AND OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group's reporting segment under HKFRS 8 *Operating Segments* is as follows:

Sales of compressed natural gas and liquefied natural gas and transmission service for natural gas ("Sales of natural gas").

The reportable segment regarding to provision of digital marketing service was discontinued due to deregistration of a subsidiary during the year ended 31 December 2025.

In addition to the above reportable segment, other operating segment include automated car wash service. The above operating segment did not meet the quantitative thresholds for the reportable segments for both periods and was grouped in "Others".

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment.



4 REVENUE AND OPERATING SEGMENT INFORMATION *(cont'd)*

	Sales of natural gas RMB'000	Total reportable segment RMB'000	Others RMB'000	Total RMB'000
Six months ended 30 June 2026 (unaudited)				
Segment revenue				
Sales to external customers	40,739	40,739	–	40,739
Revenue				40,739
Segment result	(1,832)	(1,832)	(151)	(1,983)
Reconciliation:				
Interest income				62
Corporate and other unallocated expenses				(2,886)
Loss before taxation				(4,807)
As at 30 June 2026 (unaudited)				
Segment assets	44,602	44,602	266	44,868
Reconciliation:				
Corporate and other unallocated assets				9,123
Total assets				53,991
Segment liabilities	8,246	8,246	226	8,472
Reconciliation:				
Corporate and other unallocated liabilities				221
Total liabilities				8,693

4 REVENUE AND OPERATING SEGMENT INFORMATION (cont'd)

	Sales of natural gas RMB'000	Provision of digital marketing service RMB'000	Total reportable segment RMB'000	Others RMB'000	Total RMB'000
Six months ended 30 June 2025 (unaudited)					
Segment revenue					
Sales to external customers	42,882	–	42,882	–	42,882
Revenue					42,882
Segment result	(574)	(364)	(938)	(129)	(1,067)
Reconciliation:					
Interest income					75
Corporate and other unallocated expenses					(1,687)
Loss before taxation					(2,679)
As at 31 December 2025 (audited)					
Segment assets	47,784	–	47,784	453	48,237
Reconciliation:					
Corporate and other unallocated assets					12,119
Total assets					60,356
Segment liabilities	9,157	–	9,157	73	9,230
Reconciliation:					
Corporate and other unallocated liabilities					541
Total liabilities					9,771



4 REVENUE AND OPERATING SEGMENT INFORMATION *(cont'd)*

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
<i>Type of goods or services</i>		
Sales of compressed natural gas and liquefied natural gas	40,739	42,882
Total revenue from contracts with customers	40,739	42,882

Geographical information

During both periods, all of the Group's revenue was generated from customers located in the PRC.

Non-current assets by geographical location are detailed below:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
The PRC	15,277	16,357

The non-current asset information above is based on the locations of the assets and excluded deferred tax assets.

Information about major customers

The Group did not has major customers with revenue equal to or more than 10% of the Group's total revenue for both periods.

5 OTHER INCOME, GAINS AND OTHER LOSSES

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Bank interest income	62	75
Net exchange losses	(1)	(1)
Sundry income	16	14
	77	88

6 LOSS BEFORE TAXATION

The following items have been included in arriving at loss before taxation:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Cost of inventories sold	36,240	37,119
Depreciation of property, plant and equipment	1,160	1,197
Depreciation of right-of-use assets	293	276
Amortisation of other intangible assets	7	6
Utility expense	162	336
Transportation expense	578	590
Auditor's remuneration	458	483
Employee benefit expense (including directors' and chief executive's remuneration)		
Wages and salaries	3,028	2,799
Pension scheme contributions	348	256
Expenses related to short-term leases	245	90



7 FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Interest on lease liabilities	29	14

8 TAXATION

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The statutory tax rate for the subsidiary in Hong Kong is 16.5%. No Hong Kong Profits Tax has been provided as the Group had no assessable profits arising in Hong Kong during both periods.

The provision for current income tax in the PRC is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiary of the Group as determined in accordance with The Enterprise Income Tax Law of the PRC.

No provision of current income tax was made as the Group has no assessable profits for both periods.

9 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

The basic loss per share is calculated as follows:

	Six months ended 30 June	
	2026 (unaudited)	2025 (unaudited)
Loss attributable to ordinary equity holders of the Company (RMB'000)	(4,807)	(2,679)
Weighted average number of ordinary shares in issue ('000)	212,505	183,839
Basic loss per share (cents)	(2.26)	(1.46)

In respect of the diluted loss per share amount for the period, no adjustment has been made to the basic loss per share amount presented for the six months ended 30 June 2026 and 30 June 2025 as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

10 DIVIDEND

The Board did not declare any payment of dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).



11 MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group did not acquired any property, plant and equipment (six months ended 30 June 2025: acquired property, plant and equipment at cost of RMB44,000) for its operations.

Additions to right-of-use assets during the current interim period amounted to approximately RMB381,000 (six months ended 30 June 2025: nil), which comprised the renewal of two existing offices lease and a new lease contract for a motor vehicle.

12 TRADE RECEIVABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Trade receivables, gross	1,346	1,797
Less: Allowance for expected credit losses ("ECL")	(2)	(2)
Trade receivables, net	1,344	1,795

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

The following is an ageing analysis of trade receivables net of allowance for ECL based on the invoice dates at the end of the reporting period.

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Within 3 months	1,344	1,795

13 TRADE PAYABLES

The Group normally receives credit terms ranging from 30 to 90 days from its suppliers. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Within 3 months	–	173

14 SHARE CAPITAL

	Number of shares	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Authorised Ordinary shares of HK\$0.04 each	2,500,000,000	88,632	88,632
Issued and fully paid:			
At beginning of period/year	212,505,000	7,280	6,210
Issue of shares (note)	–	–	1,070
At end of period/year	212,505,000	7,280	7,280

Note: On 27 June 2025, an aggregate of 29,310,000 shares were placed to not less than six placees at the placing price of HK\$0.225 per placing shares in accordance with the terms of the placing agreement. The gross and net proceeds from the placing amounted to approximately RMB6,018,000 (equivalent to approximately HK\$6,595,000) and RMB5,559,000 (equivalent to approximately HK\$6,091,000 respectively).



15. SHARE OPTION SCHEME

On 8 July 2025, the Company granted share options (the “Options”) to eligible individuals pursuant to the share option scheme adopted by the Company on 20 April 2018. The Options shall entitle the Grantees to subscribe for a total of 8,500,000 ordinary shares of HK\$0.04 each in the share capital of the Company. The exercise price of share options is HK\$0.309 per share. The Options are exercisable for a period of four years after 12 months from the date of grant and shall be vested on the date of grant.

During the six months ended 30 June 2026, the Company had 8,500,000 (31 December 2025: 8,500,000) share options outstanding under the scheme. The Group recognised an expense of approximately RMB72,000 in respect of equity settled share options (for the six months ended 30 June 2025: nil) during the six months ended 30 June 2026.

16 RELATED PARTY TRANSACTIONS

Key management personnel compensation

Compensation paid and payable to key management personnel compensation comprises:

	Six months ended 30 June	
	2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Short-term employee benefits	788	507
Pension scheme contributions	24	8
Equity-settled share option arrangements	37	–
Total compensation paid to key management personnel	849	515

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's principal place of business is in Jingzhou, Hubei Province, the PRC. During the Period, the Group was involved in the sales of CNG and LNG in the PRC.

Sales of LNG and CNG

The Group mainly supplies LNG and CNG, and derives revenue mainly from the distribution of (i) LNG to wholesale customers; (ii) CNG to retail customers which are mostly vehicular end-users; and (iii) CNG to wholesale customers which are urban gas companies, gas refuelling station operators and industrial users. The principal product offering is LNG and CNG and the Group purchases natural gas from PetroChina Company Limited ("PetroChina").

FINANCIAL REVIEW

Revenue

Revenue amounted to approximately RMB40.7 million for the six months ended 30 June 2026, decreased by approximately RMB2.2 million or 5.1% when compared with approximately RMB42.9 million for the corresponding period of 2025, which was due to the decrease in sales of both CNG and LNG, as stated below.

During the Period, more than half of the Group's revenue was derived from sales of LNG, which decreased by approximately RMB1.1 million or 4.7% from approximately RMB23.4 million for the six months ended 30 June 2025 to approximately RMB22.3 million for the Period, as a result of a decrease in the sales volume of the LNG.

The revenue from sales of CNG to wholesale customers decreased by approximately RMB1.1 million or 8.5% from approximately RMB12.9 million for the six months ended 30 June 2025 to approximately RMB11.8 million for the six months ended 30 June 2026, primarily due to the decrease in the sales volume of CNG to wholesale customers. The revenue from sales of CNG to retail customers remained stable at approximately RMB6.6 million for the six months ended 30 June 2025 and 2026.

Cost of sales

Cost of sales amounted to approximately RMB38.4 million for the six months ended 30 June 2026, representing a decrease of approximately RMB0.9 million or 2.3% as compared to approximately RMB39.3 million for the six months ended 30 June 2025, which was primarily due to the decrease in cost of inventories sold by approximately RMB0.9 million or 2.4% from approximately RMB37.1 million for the six months ended 30 June 2025 to approximately RMB36.2 million for the six months ended 30 June 2026, which was in line with the decrease in the sales volume of both LNG and CNG.



FINANCIAL REVIEW (cont'd)

Gross profit

Gross profit decreased by approximately RMB1.3 million from approximately RMB3.6 million for the six months ended 30 June 2025 to approximately RMB2.3 million for the six months ended 30 June 2026. Gross profit margin decreased by 2.7% from 8.4% for the six months ended 30 June 2025 to 5.7% for the six months ended 30 June 2026, mainly due to the impact of high procurement cost of the natural gas, which cannot be fully passed on to our customers in a timely manner due to the pricing guidelines imposed by Hubei Price Bureau and Jingzhou Price Bureau.

Selling and distribution expenses

Selling and distribution expenses, which mainly represented staff costs and other office expenses incurred in our operation department, remained stable at approximately RMB0.3 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB0.3 million).

Administrative expenses

Administrative expenses, which mainly represented employee benefit expenses, legal and professional fee and other general operating expenses and office expenses, increased by approximately RMB0.8 million or 13.1% from approximately RMB6.1 million for the six months ended 30 June 2025 to approximately RMB6.9 million for the six months ended 30 June 2026. The increase was mainly attributable to the increase in legal and professional fee and consultancy fee of approximately RMB0.7 million and increase in staff costs of approximately RMB0.1 million.

Finance costs

Finance costs represented interest on lease liabilities.

Taxation

No current income tax expense had been provided for the six months ended 30 June 2026 as there were no assessable profits generated during the Period and there were no significant deferred tax for the Period.

Loss for the period

Loss of the Company for the six months ended 30 June 2026 was approximately RMB4.8 million, increased by approximately RMB2.1 million or 77.8% as compared to approximately RMB2.7 million for the same period last year. The increase was mainly attributable to the decrease in gross profit of approximately RMB1.3 million and the increase in administrative expenses of approximately RMB0.8 million.

PROSPECTS

The Group is committed to delivering safe, reliable clean energy and excellent customer services while ensuring sustainable performance for shareholders, professional growth for employees, and environmental protection in the PRC. With the China's energy transition from coal to cleaner sources, the Group expects favourable policies to boost natural gas demand and with this strategy, and the Board is of the view that electricity charging sectors are highly promising under national clean energy and low-carbon transport policies. Through the formation of the Joint Venture (as defined below), the Group started to provide charging station services, a natural extension of its core natural gas business that supports global decarbonisation goals while maintaining its primary focus on compressed and liquefied natural gas. The Board is of the view that the electricity charging sector has promising growth prospects under the national policies promoting clean energy and low carbon transport. Participation in the new energy and charging infrastructure market through the new joint venture will enable the Group to leverage the technical expertise and business resources of the joint ventures partners. The provision of operation and management services for charging stations is complementary to the Group's existing natural gas business and consistent with its long-term strategy of focusing on the clean energy sector. While the Group's principal business remains the sales and transmission of compressed natural gas and liquefied natural gas in the PRC, its participation in the hydrogen-electric and charging infrastructure industry represents a natural extension of its energy portfolio in line with the global move towards decarbonisation. The Group will continue to consider and explore various business opportunities according to the market conditions with an aim to diversify the income sources and to enhance the shareholders' value.

DIVIDENDS

The Board did not recommend the payment of any dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The total equity of the Group as at 30 June 2026 was approximately RMB45.3 million. The Group's cash and cash equivalents as at 30 June 2026 was approximately RMB26.1 million. Our working capital represented by net current assets was approximately RMB30.2 million and our current ratio was 4.7. Based on our steady cash inflows from operations, coupled with sufficient cash and bank balances, we have adequate liquidity and financial resources to meet our working capital requirements.

Gearing ratio represents the bank and other borrowings as a percentage of equity attributable to equity holders of the Company. Gearing ratio is not applicable to the Group since the Group did not have any interest-bearing bank borrowings as at 30 June 2026.



PREPAYMENTS AND OTHER RECEIVABLES

The Group's prepayments and other receivables as at 30 June 2026 amounted to RMB11.0 million (31 December 2025: RMB10.9 million). As at 30 June 2026, balance mainly represented deposits with suppliers and advance to third parties of approximately RMB5.5 million (31 December 2025: RMB5.3 million), prepaid expenses of approximately RMB3.1 million (31 December 2025: RMB3.2 million) and amounts due from directors of approximately RMB2.4 million (31 December 2025: RMB2.4 million).

COMMITMENTS

As at 30 June 2026, the Group had the following capital commitments:

	30 June 2026 RMB'000	31 December 2025 RMB'000
Contracted, but not provided for: Plant and machinery	539	539

CONTINGENT LIABILITIES AND GUARANTEES

As at 30 June 2026, our Group had no significant contingent liabilities and guarantees (31 December 2025: Nil).

CHARGE OF ASSETS

As at 30 June 2026, the Group had no charge of assets (31 December 2025: Nil).

FOREIGN CURRENCY RISK

The Group carries out its business in the PRC and most of its transactions are denominated in RMB. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rate, and no hedging transaction or forward contract arrangement was made by the Group during the Period.

INTEREST RATE RISK

The Group has no significant interest rate risk. The Group currently does not have any specific policies in place to manage interest rate risk and has not entered into any interest rate swap transactions to mitigate interest rate risk but will closely monitor related risk in the future.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 16 December 2025, the Company entered into the joint venture agreement (the “JV Agreement”) with Whitecell Power (China) Limited (“WCP”) and China Investment Holdings Limited (“China Investment Holdings”), both being independent third parties, in relation to the formation of a joint venture, Supercomputing Whitecell New Energy Digital Technology Co. Limited (the “Joint Venture”). The Joint Venture is a company incorporated in Hong Kong with limited liability on 10 December 2025 and shall be owned as to 51% by the Group, 24.5% by WCP, and 24.5% by China Investment Holdings upon the completion of the proposed capital increase of the Joint Venture to be contributed by WCP and China Investment Holdings pursuant to the JV Agreement. The Joint Venture and its subsidiaries will be principally engaged in the business of management and operation of methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations (including but not limited to those already in operation and under construction) developed and deployed in the PRC by Shenzhen Super Computing Power Technology Co., Ltd.* (深圳市超算力量科技有限公司) (“Shenzhen SCPT”), an independent third party, pursuant to the service agreement entered into between the Group and Shenzhen SCPT on 18 March 2026.

The Group is principally engaged in the sales of compressed natural gas and liquefied natural gas in the PRC. While the Group remains optimistic about the growth of consumption of natural gas along with China improving its energy consumption structure by shifting from coal to cleaner energy such as natural gas and other renewable energy, the global economic landscape is expected to remain challenging and the overall investment and economic environment is likely to remain highly uncertain.

In view of these challenges, the Directors consider that it is timely and prudent for the Group to pursue selective investment opportunities to broaden the Group’s revenue source and enhance resilience through diversification. The Board believes that the electricity charging market has favourable development prospects. The formation of the Joint Venture allows the Group to enter the electricity charging market by leveraging the resources of WCP and China Investment Holdings. In particular, WCP is a well-established player in the electricity charging market with solid experience and expertise and proven performance in the management and operation of methanol-hydrogen fuel cell off-grid power supply systems and liquid-cooled supercharging stations the PRC.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the formation of the Joint Venture and the terms of the JV Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

For further details, please refer to the announcements of the Company dated 16 December 2025, 16 January 2026 and 18 March 2026.

Save as disclosed in this report, as at 30 June 2026, there were no other significant investments held by the Company, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

There is no other plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.



EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, our Group had a total of 66 employees (31 December 2025: 67 employees). Staff costs, including Directors' remuneration and equity-settled share option expense, of the Group were approximately RMB3.6 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB3.1 million). Remuneration is determined with reference to factors such as comparable market salaries, work performance, time commitment and responsibilities of each individual. Employees are provided with relevant in-house and/or external training from time to time. The Group reviews the performance of employees from time to time.

FUND RAISING ACTIVITIES

On 15 December 2023, the Company and CNI Securities Group Limited (the "2024 Placing Agent") entered into a placing agreement (the "2024 Placing Agreement") (as supplemented by a supplemental agreement dated 5 January 2024 (the "2024 Supplemental Placing Agreement") and a supplemental agreement dated 18 January 2024), pursuant to which the Company has conditionally agreed to place, through the 2024 Placing Agent on a best effort basis, a maximum of 35,451,000 placing shares at the placing price of HK\$0.658 per placing share (the "2024 Placing") to not less than six placees (the "2024 Placees"), who and whose ultimate beneficial owner(s) are independent third parties. The placing shares rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the placing shares. The price of HK\$0.658 per placing share was determined after arm's length negotiations between the Company and the 2024 Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The placing price represents a discount of approximately 17.75% to the closing price of HK\$0.800 per Share as quoted on the Stock Exchange on the date of the 2024 Supplemental Placing Agreement; and a discount of approximately 19.95% to the average closing price of HK\$0.822 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the 2024 Supplemental Placing Agreement. The 2024 Placing has enlarged the shareholder base and the capital base of the Company and allowed the Group to raise capital.

On 30 January 2024, a total of 5,940,000 Shares have been successfully placed by the 2024 Placing Agent to not less than six 2024 Placees at placing price of HK\$0.658 per Share pursuant to the terms and conditions of the 2024 Placing Agreement. The new Shares were issued under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 16 June 2023.

The gross proceeds from the Placing and net proceeds from the 2024 Placing, after deduction of the placing commission and other related expenses, amounted to HK\$3.9 million and approximately HK\$3 million, respectively, and the net price per Share is approximately HK\$0.5.

For further details, please refer to the announcements of the Company dated 15 December 2023, 5 January 2024, 18 January 2024 and 30 January 2024 (the "2024 Placing Announcements").

FUND RAISING ACTIVITIES (cont'd)

The Company has applied and intends to apply the net proceeds from the 2024 Placing in the following manner:

Description	Planned use of proceeds as disclosed in the 2024 Placing Announcements (approximate amount adjusted after deduction of the placing commission and other related expenses) (HK\$ million)	Percentage of net proceeds	Approximate amount of proceeds utilised up to 31 December 2025 (HK\$ million)	Net proceeds brought forward from 31 December 2025 (HK\$'000)	Approximate amount of proceeds utilised during the six months ended 30 June 2026 (HK\$'000)	Approximate amount of unutilised proceeds as at 30 June 2026 ^(Note) (HK\$ million)
Investment in renewable energy related businesses	1.5	50%	–	1.5	–	1.5
General working capital	1.5	50%	1.5	–	–	–
Total	3.0	100%	1.5	1.5	–	1.5

Note: The unutilised amount is expected to be utilised by the end of 2026.

On 12 June 2025, the Company and Eddid Securities And Futures Limited (the “2025 Placing Agent”) entered into a placing agreement (the “2025 Placing Agreement”), pursuant to which the Company has conditionally agreed to place, through the 2025 Placing Agent on a best effort basis, a maximum of 29,310,000 placing shares at the placing price of HK\$0.225 per placing share (the “2025 Placing”) to not less than six places (the “2025 Placees”), who and whose ultimate beneficial owner(s) are Independent Third Parties.

The placing shares rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the placing shares. The price of HK\$0.225 per placing share was determined after arm’s length negotiations between the Company and the 2025 Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The placing price represents a discount of approximately 16.67% to the closing price of HK\$0.270 per Share as quoted on the Stock Exchange on the date of the 2025 Placing Agreement; and a discount of approximately 18.78% to the average closing price of approximately HK\$0.277 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the 2025 Placing Agreement. The 2025 Placing has enlarged the shareholder base and the capital base of the Company and allowed the Group to raise capital.



FUND RAISING ACTIVITIES (cont'd)

On 27 June 2025, a total of 29,310,000 Shares have been successfully placed by the 2025 Placing Agent to not less than six 2025 Placees at placing price of HK\$0.225 per Share pursuant to the terms and conditions of the 2025 Placing Agreement. The new Shares were issued under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 20 June 2024.

The gross proceeds from the 2025 Placing and the net proceeds from the 2025 Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK\$6.6 million and approximately HK\$6 million, respectively, and the net price per Share is approximately HK\$0.2.

For further details, please refer to the announcements of the Company dated 12 June 2025, 19 June 2025 and 27 June 2025 (the “2025 Placing Announcements”).

The Company has applied and intends to apply the net proceeds from the 2025 Placing in the following manner:

Description	Planned use of proceeds as disclosed in the 2025 Placing Announcements (approximate amount adjusted after deduction of the placing commission and other related expenses) (HK\$ million)	Percentage of net proceeds	Approximate amount of proceeds utilised up to 30 June 2025 (HK\$ million)	Approximate amount of unutilised proceeds as at 30 June 2025 ^(Note) (HK\$ million)
Potential formation of a joint venture company engaging in the trading of black pellets	3.0	50%	–	3.0
General working capital	3.0	50%	–	3.0
Total	6.0	100%	–	6.0

FUND RAISING ACTIVITIES (cont'd)

On 16 December 2025, the Board has resolved to reallocate approximately HK\$3 million, representing approximately 50% of the unutilised net proceeds from the 2025 Placing, to the formation of the Joint Venture. The Board believes that the electricity charging market has favourable development prospects and the formation of the Joint Venture will allow the Group to enter the electricity charging market by leveraging the resources of WCP and China Investment Holdings. Also, the Group was unable to form the joint venture with respect to the trading of black pellets as the parties could not agree on the commercial terms and timetable for the proposed joint venture. As a result, the intended application of proceeds could not be implemented, and the Board considers that the change in use of proceeds is in line with the business strategy of the Group, fair and reasonable, in the interests of the Company and its shareholders as a whole. The Company has no intention to downsize, cease or dispose of any of its existing business and operations.

For further details, please refer to the announcements of the Company dated 16 December 2025 and 16 January 2026 (the "Change In Use Of Proceeds Announcements").

The Board has resolved to reallocate the unutilised net proceeds from the 2025 Placing as follows:

Description	Planned use of proceeds as disclosed in the Change in Use Of Proceeds Announcements (approximate amount adjusted after deduction of the placing commission and other related expenses) (HK\$ million)	Percentage of net proceeds	Approximate amount of proceeds utilised up to 31 December 2025 (HK\$ million)	Net proceeds brought forward from 31 December 2025 HK\$'000	Approximate amount of proceeds utilised during the six months ended 30 June 2026 HK\$'000	Approximate amount of unutilised proceeds as at 30 June 2026 (HK\$ million)
Formation of the Joint Venture	3.0	50%	–	3.0	–	3.0
General working capital	3.0	50%	–	3.0	3.0	–
Total	6.0	100%	3.0	6.0	3.0	3.0

Note: The unutilised amount is expected to be utilised by the end of 2026.



USE OF PROCEEDS

The Company's shares were listed on GEM of the Stock Exchange (the "Listing") on 18 May 2018 and the net proceeds from the Listing were approximately HK\$29.2 million. The Company has applied and intends to apply the net proceeds in the following manner:

Description	Planned use of proceeds as shown in the prospectus of the Company dated 8 May 2018 (the "Prospectus") (adjusted based on the actual net proceeds) HK\$'000	Percentage of net proceeds	Actual usage of proceeds from the Listing Date to 31 December 2025 HK\$'000	Net proceeds brought forward from 31 December 2025 HK\$'000	Actual usage of proceeds during the six months ended 30 June 2026 HK\$'000	Unutilised amount as at 30 June 2026 HK\$'000
Expanding gas station network by constructing one CNG refuelling station	5,212	17.9%	2,400	2,812	-	2,812
Expanding gas station network by constructing one combined CNG/LNG refuelling station	12,250	42.0%	2,334	9,916	-	9,916
Upgrading infrastructures and facilities of our Jingzhou Primary Station to equip it with LNG processing capacity	8,772	30.1%	8,772	-	-	-
Working capital and other general corporate purposes	2,916	10.0%	2,916	-	-	-
Total	29,150	100.0%	16,422	12,728	-	12,728

USE OF PROCEEDS *(cont'd)*

In pursuance of our business objectives, the implementation plans of our Group are set forth below:

Implementation plan as disclosed in Prospectus	Actual progress achieved up to 30 June 2026
Expanding gas station network by constructing one CNG refuelling station	• Obtained quotations for equipment and settled deposits for certain station equipment • Discussing with consultants on the engagement terms and design work of the gas refuelling station • Submitted the application to the relevant government authorities for the construction of new refuelling station and negotiating with officials in relation to the specific requirements • Expected to complete the implementation by end of 2026
Expanding gas station network by constructing one combined CNG/LNG refuelling station	• Performed site visits and estimated traffic flow of possible sites to identify suitable site • Obtained quotations and settled deposits for certain station equipment • Discussing with consultants on the engagement terms and design work of the gas refuelling station • Submitted the application to the relevant government authorities for the construction of new refuelling station and negotiating with officials in relation to the specific requirements • Expected to complete the implementation by end of 2026
Upgrading infrastructures and facilities of our Jingzhou Primary Station to equip it with LNG processing capacity	• Engaged consultant for modification design of Jingzhou Primary Station and settled the prepayment for the consulting services • Discussing with contractors on engagement terms and construction work of facility building • Constructing additional facility building, compressor room and electricity switchboard room • Purchased tanker trucks and certain station equipment • Informed the relevant government authorities in relation to the proposed installation of new facilities at our Jingzhou Primary Station with LNG processing capability • Completed the implementation in 2021



USE OF PROCEEDS (cont'd)

As disclosed in the Prospectus, the Company intended to install new facilities at the Jingzhou Primary Station, a gas processing station which acts as a primary station bridging high pressure pipelined gas that is being transmitted from PetroChina to the Group, to enlarge the Group's wholesale customer base and enable the Group to capture both CNG and LNG market. The implementation plan for upgrading infrastructures and facilities of the Jingzhou Primary Station to equip it with LNG processing capacity has been completed during the Year, and the Jingzhou Primary Station is currently able to maintain the pressure and low temperature of LNG, pump and dispense LNG, thereby operating with selling both CNG and LNG.

In relation to the above other implementation plans, the Group has submitted the relevant application and has been in discussion with the government officials on the approval progress. However, due to the demolition of one of the Group's gas refuelling substation located at Shihao Road, Jingzhou, Hubei Province, in July 2021, the Company has been looking for relocation opportunities and will seek approval from the relevant government authorities once the new location is identified. Upon receiving the relevant approval from the government authorities, the Group would carry out feasibility study including environmental impact assessment to further implement the plans. The unutilised net proceeds have been placed with licensed banks in the PRC as at 30 June 2026.

The Directors would constantly evaluate the Group's business objectives and will change or modify plan against the changing market condition to ascertain the business growth of the Group.

As at the date of this report, the Directors do not anticipate any change to the principal plan as to the use of proceeds.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION

As at 30 June 2026, interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares and underlying Shares of the Company:

Name	Capacity/Nature of interests	Number of Shares held	Approximate percentage of the total issued Shares*
Mr. Liu Yong Cheng	Interest in controlled corporation and parties acting in concert	76,125,000 (Note 1)	35.82%
Mr. Liu Yong Qiang	Interest in controlled corporation and parties acting in concert	76,125,000 (Note 2)	35.82%

* The percentage was calculated based on 212,505,000 Shares in issue as at 30 June 2026.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY ASSOCIATED CORPORATION (cont'd)

Long positions in ordinary shares and underlying Shares of the Company: (cont'd)

Notes:

- (1) As at 30 June 2026, Mr. Liu Yong Cheng directly owned 100% of Yongsheng Enterprise Limited ("Yongsheng"), which in turn held 19,392,500 shares or approximately 9.13% of the issued Shares; therefore he was deemed, or taken to be interested in, all the shares held by Yongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Cheng was also deemed to be interested in 56,732,500 Shares or approximately 26.70% of the issued Shares owned by Hongsheng Enterprise Limited ("Hongsheng") as at 30 June 2026 as a result of being a party acting in concert with Mr. Liu Yong Qiang.
- (2) As at 30 June 2026, Mr. Liu Yong Qiang directly owned 100% of Hongsheng, which in turn held 56,732,500 shares or approximately 26.70% of the issued Shares; therefore he was deemed, or taken to be interested in, all the shares held by Hongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Qiang was also deemed to be interested in 19,392,500 Shares or approximately 9.13% of the issued Shares owned by Yongsheng as at 30 June 2026 as a result of being a party acting in concert with Mr. Liu Yong Cheng.

Save as disclosed above, as at 30 June 2026, none of the Directors nor chief executive of the Company had registered an interest or short position 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) which had been recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the Shares or the underlying Shares as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in ordinary shares and underlying Shares of the Company:

Name	Capacity	Number of Shares held	Approximate percentage of the total issued Shares*
Yongsheng	Beneficial owner and parties acting in concert	76,125,000 (Note 1)	35.82%
Hongsheng	Beneficial owner and parties acting in concert	76,125,000 (Note 2)	35.82%
Stable Development Company Limited	Beneficial owner	13,872,500 (Note 3)	6.53%

* The percentage was calculated based on 212,505,000 Shares in issue as at 30 June 2026.

Notes:

- As at 30 June 2026, Mr. Liu Yong Cheng directly owned 100% of Yongsheng, which in turn held 19,392,500 shares or approximately 9.13% of the issued Shares; therefore he was deemed, or taken to be interested in, all the shares held by Yongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Cheng was also deemed to be interested in 56,732,500 Shares or approximately 26.70% of the issued Shares owned by Hongsheng as at 30 June 2026 as a result of being a party acting in concert with Mr. Liu Yong Qiang. Mr. Liu Yong Cheng, an executive Director, is also a director of Yongsheng.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY *(cont'd)*

Long position in ordinary shares and underlying Shares of the Company: *(cont'd)*

Notes: *(cont'd)*

- (2) As at 30 June 2026, Mr. Liu Yong Qiang directly owned 100% of Hongsheng, which in turn held 56,732,500 shares or approximately 26.70% of the issued Shares; therefore he is deemed, or taken to be interested in, all the shares held by Hongsheng for the purpose of the SFO; pursuant to the acting in concert confirmation dated 14 June 2017, in which Mr. Liu Yong Qiang was also deemed to be interested in 19,392,500 Shares or approximately 9.13% of the issued Shares owned by Yongsheng as at 30 June 2026 as a result of being a party acting in concert with Mr. Liu Yong Cheng. Mr. Liu Yong Qiang, an executive Director, is also a director of Hongsheng.
- (3) As at 30 June 2026, Mr. Yu Kin Wai Perway directly owned 100% of Stable Development Company Limited, which in turn held 13,872,500 Shares, therefore he was deemed, or taken to be interested in, all the Shares held by Stable Development Company Limited for the purpose of the SFO.

Save as disclosed above, as at 30 June 2026 and so far as known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company and any Associated Corporation" above, had notified the Company of an interest or short position in the Shares or underlying Shares which had been required to be recorded in the register required to be kept by the Company pursuant Section 336 of the SFO.

SHARE OPTION SCHEME

The Share Option Scheme was approved and adopted by the shareholders of the Company by way of written resolutions passed on 20 April 2018. Details of the Share Option Scheme are set out in the annual report of the Company for the year ended 31 December 2025.



SHARE OPTION SCHEME (cont'd)

Movements of the share options of the Company during the Period are as follows:

Name or category of participant	Number of share options				Exercise price of share options HK\$	Date of grant of share options	Closing price of the Shares immediately before the date of grant of share options HK\$	Weighted average closing price of the Shares immediately before the exercise date HK\$
	At 1 January 2026	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	At 30 June 2026	Exercise period of share options	
Employees (other than Directors)								
In aggregate	8,500,000	-	-	-	-	8,500,000	8 July 2025 to 7 July 2030	0.310
						0.309	8 July 2025	-

SHARE OPTION SCHEME (cont'd)

Notes:

- (1) The Options are valid for five years from the date of grant unless lapsed pursuant to the terms of the Share Option Scheme and may be exercisable during such period provided that the Options are vested.
- (2) The share options are subject to the vesting period as follows:
 - (i) no Options can be exercised within the first 12 months from the date of grant; and
 - (ii) 100% of the Options can be exercised at any time after the expiration of 12 months from the date of grant.
- (3) The share options are exercisable for a period of five years from the date of grant and the fair values of the share options were calculated using the Binomial Option Pricing Model. The inputs to the model were as follows:

	Share options granted on 8 July 2025
Share price at the date of grant	HK\$0.290
Exercise price per share	HK\$0.309
Expected volatility (%)	50.00
Risk-free interest rate (%)	1.94

The expected volatility reflected the assumption that the historical volatility was indicative of future trends, which may not necessarily be the actual outcome.

- (4) The fair value of the share options granted was estimated at RMB768,000 using the Binomial Option Pricing Model, of which the Group recognised share option expenses of RMB72,000 during the Period (six months ended 30 June 2025: Nil). The fair value of an option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of an option.
- (5) Share options which are cancelled/lapsed/forfeited prior to their exercise date will be removed from the Company's register of outstanding share options. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits/accumulated losses as a movement in reserves.



SHARE OPTION SCHEME *(cont'd)*

As at 1 January 2026 and 30 June 2026, according to the existing scheme mandate limit under the Share Option Scheme, there was 6,500,000 share options available for grant. As at 30 June 2026 and at the date of this report, the Company had utilised 8,500,000 share options of the existing scheme mandate limit under the Share Option Scheme and had 8,500,000 share options outstanding under the Share Option Scheme, which represented approximately 4.00% of the issued Shares in issue as at the date of this report. The number of Shares that may be issued in respect of options granted under the Share Option Scheme during the Period divided by the weighted average number of the Shares in issue for the Period is 4.00%.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save for the Share Option Scheme, at no time during the six months ended 30 June 2026 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings during the six months ended 30 June 2026.

DEED OF NON-COMPETITION

As disclosed in the Prospectus, the controlling shareholders of the Group (“Controlling Shareholders”) entered into a deed of non-competition on 20 April 2018 (for itself and as trustee for its subsidiaries) (the “Deed of Non-Competition”). Each of the Controlling Shareholders confirmed to the Company that they have complied with the Deed of Non-Competition during the period.

Pursuant to the Deed of Non-Competition, each of the Controlling Shareholders has irrevocably and unconditionally undertaken to the Company (for itself and as trustee for its subsidiaries) that, subject to certain exceptions, during the period that the Deed of Non-Competition remain effective, each of the Controlling Shareholders shall not, and shall procure that their associates (other than any members of the Group) not to, directly or indirectly, carry on, participate in, be engaged, be interested directly or indirectly, either for their own account or in conjunction with or on behalf of or for any other person in any business in competition with or likely to be in competition with the existing business activity of any member of the Group (“Restricted Business”).

COMPETING INTERESTS

During the six months ended 30 June 2026, so far as the Directors are aware, none of the Directors, Controlling Shareholders and substantial shareholders of the Company, neither themselves nor their respective close associates (as defined under the GEM Listing Rules) had held any position or had interest in Restricted Business or any businesses or companies that were materially competing or might materially compete with the business of the Group, or gave rise to any concern regarding conflict of interest.

CORPORATE GOVERNANCE CODE

The Company has adopted and complied with, where applicable, the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the GEM Listing Rules for the six months ended 30 June 2026 to ensure that the Group’s business activities and decision making processes are regulated in a proper and prudent manner, save for the deviation stipulated below.

According to the code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separated and should not be performed by the same individual. Under the current management structure of the Company, Mr. Liu Yong Cheng is the chairman of the Board (the “Chairman”) and chief executive officer of the Company (the “Chief Executive Officer”). As Mr. Liu Yong Cheng has been leading the Group as the Chief Executive Officer and actively involved in the core business of Tonglin Gas since its incorporation, and due to his familiarity with the operations of the Group, the Board believes that it is in the best interest of the Group to continue to have Mr. Liu Yong Cheng acting as the Chief Executive Officer and Chairman for effective management and business planning of the Group. Further, the Company has put in place an appropriate check-and-balance mechanism through the Board and three independent non-executive Directors. The Company will consult the Board for any major decisions. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstances.



UPDATES ON DIRECTORS' INFORMATION

During the six months ended 30 June 2026, there were no changes in information of Directors which are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has established an audit and risk management committee with written terms of reference in compliance with the code provision D.3.3 of the CG Code. The audit and risk management committee consists of three independent non-executive Directors, namely Mr. Yeung Chun Yue David as the Chairman, Ms. Luo Hongru and Ms. Zeng Li as its members. The audit and risk management committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 and this report.

SUBSEQUENT EVENT

Save as disclosed in this report, the Group had no significant events occurred subsequent to the end of the Period.

FORWARD LOOKING STATEMENTS

This report contains forward looking statements with respect to the financial conditions, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

By order of the Board

TL Natural Gas Holdings Limited

Liu Yong Cheng

Executive Director, Chairman & Chief Executive Officer

Hong Kong, 17 August 2026

As at the date of this report, the Board comprises Mr. Liu Yong Cheng, Mr. Liu Yong Qiang and Mr. Liu Yong Sheng as executive Directors; Ms. Luo Hongru, Ms. Zeng Li and Mr. Yeung Chun Yue David as independent non-executive Directors.