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**CHINESE PEOPLE HOLDINGS COMPANY LIMITED**

**中民控股有限公司**

*(incorporated in Bermuda with limited liability)* (stock code: 681)

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**FINANCIAL HIGHLIGHTS**

Revenue for the Period increased approximately by 5.90% to approximately RMB1,362 million (2023: RMB1,286 million) which was mainly attributable to increase in revenue of piped gas-transmission and distribution business.

Profit for the Period amounted to approximately RMB66.61 million (2023: RMB79.64 million), a decrease of approximately RMB13.03 million as compared to the corresponding period in 2023 mainly due to reduced profit contribution from the joint ventures.

Basic earnings per share for the Period was RMB0.49 cents (2023: RMB0.76 cents).

The Board does not recommend the payment of an interim dividend for the Period (2023: nil).

The board (the “**Board**”) of directors (the “**Director(s)**”) of Chinese People Holdings Company Limited (the “**Company**”) is hereby to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 (the “**Period**” or the “**Reporting Period**”), together with the unaudited comparative figures for the six months ended 30 June 2023. These interim results have been reviewed by the audit committee of the Company.

**CHINESE PEOPLE HOLDINGS COMPANY LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

		(Unaudited)	
		Six months ended 30 June	
		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	<b>1,361,691</b>	1,285,778
Cost of sales and services		<b>(1,194,087)</b>	(1,122,001)
Gross profit		<b>167,604</b>	163,777
Other gains and losses	4	<b>1,309</b>	1,625
Other income	5	<b>19,863</b>	22,526
Finance costs	6	<b>(1,897)</b>	(2,387)
Selling and distribution expenses		<b>(74,293)</b>	(71,994)
Administrative expenses		<b>(61,736)</b>	(62,082)
Share of results of associates		<b>12,573</b>	14,491
Share of results of joint ventures		<b>12,770</b>	23,889
Profit before tax	7	<b>76,193</b>	89,845
Income tax expense	8	<b>(9,585)</b>	(10,210)
Profit for the period		<b>66,608</b>	79,635
Other comprehensive expense for the period			
Item that will not reclassified subsequently to profit or loss			
– Fair value change on equity instruments at fair value through other comprehensive expense (“FVTOCI”), net of tax		<b>(8,636)</b>	(3,848)
Total comprehensive income for the period		<b>57,972</b>	75,787

		<b>(Unaudited)</b>	
		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
Profit for the period attributable to:			
Owners of the Company		<b>43,394</b>	67,475
Non-controlling interests		<b>23,214</b>	12,160
		<u><b>66,608</b></u>	<u>79,635</u>
Total comprehensive income attributable to:			
Owners of the Company		<b>34,542</b>	63,368
Non-controlling interests		<b>23,430</b>	12,419
		<u><b>57,972</b></u>	<u>75,787</u>
Earnings per share			
	<i>10</i>	<b>RMB</b>	<b>RMB</b>
– basic		<u><b>0.49 cents</b></u>	<u>0.76 cents</u>
– diluted		<u><b>n/a</b></u>	<u>n/a</u>

**CHINESE PEOPLE HOLDINGS COMPANY LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2024

		At 30 June 2024 (Unaudited) RMB'000	At 31 December 2023 (Audited) RMB'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		931,064	927,144
Investment properties		3,770	3,770
Right-of-use assets		99,293	98,302
Intangible assets		17,740	18,355
Interests in associates		186,625	174,052
Interests in joint ventures		1,066,224	1,104,454
Deferred tax assets		3,163	3,163
Equity instruments at FVTOCI		93,735	107,733
Long-term deposits		17,917	18,435
		<u>2,419,531</u>	<u>2,455,408</u>
<b>Current assets</b>			
Inventories		40,848	47,033
Trade, bills and other receivables and prepayments	11	239,820	195,596
Contract assets		34,096	34,072
Financial assets at fair value through profit or loss		12,995	16,595
Bank deposits		91,557	211,468
Bank balances and cash		518,466	393,033
		<u>937,782</u>	<u>897,797</u>
<b>Current liabilities</b>			
Trade and other payables	12	224,838	274,020
Contract liabilities		253,939	231,903
Tax liabilities		5,854	9,224
Lease liabilities		3,651	3,730
Bank borrowings – due within one year		71,725	81,600
		<u>560,007</u>	<u>600,477</u>
<b>Net current assets</b>		<u>377,775</u>	<u>297,320</u>
<b>Total assets less current liabilities</b>		<u><u>2,797,306</u></u>	<u><u>2,752,728</u></u>

	At <b>30 June 2024</b> (Unaudited) <i>RMB'000</i>	At 31 December 2023 (Audited) <i>RMB'000</i>
<b>Capital and reserves</b>		
Share capital	564,507	564,507
Reserves	<u>1,970,184</u>	<u>1,935,642</u>
<b>Equity attributable to owners of the Company</b>	<b>2,534,691</b>	2,500,149
<b>Non-controlling interests</b>	<u>231,768</u>	<u>218,502</u>
<b>Total equity</b>	<u>2,766,459</u>	<u>2,718,651</u>
<b>Non-current liabilities</b>		
Lease liabilities	15,185	16,162
Bank borrowings – due after one year	–	175
Deferred tax liabilities	<u>15,662</u>	<u>17,740</u>
	<u>30,847</u>	<u>34,077</u>
	<u><b>2,797,306</b></u>	<u><b>2,752,728</b></u>

## NOTES:

### 1. GENERAL INFORMATION

Chinese People Holdings Company Limited (the “**Company**”) is incorporated and domiciled in Bermuda as an exempted company with limited liability on 13 November 1996. On 24 April 1997, the Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company be disclosed in the section headed “Corporate Information” of the Company’s interim report.

In the opinion of the Directors, the immediate holding company of the Company is Lofty Key Limited, incorporated in the British Virgin Islands with limited liability, the ultimate holding company of the Company is Civios Group Limited, incorporated in the British Virgin Islands with limited liability, and the ultimate controlling party of the Company is Dr. Mo Shikang, who is also an executive Director of the Company.

The Company acts as an investment holding company. The Group is principally engaged in (i) piped gas transmission and distribution including the provision of piped gas, construction of gas pipelines and the operation of city gas pipeline network, (ii) cylinder gas supply, (iii) distribution of gas and (iv) the food ingredients supply and fast-moving consumer goods (“**FMCG**”) including the operation of stores including supermarket and convenience stores in the People’s Republic of China (the “**PRC**” or “**China**”).

The unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries (collectively referred to as the “**Group**”).

### 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) of the Stock Exchange.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2023.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2023 consolidated financial statements for the year ended 31 December 2023.

### **Application of new and amendments to HKFRSs**

In the Period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the unaudited condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendment to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

The application of the amendments to HKFRSs has no material impact on the Group’s financial position and financial performance for the current and/or prior periods and/or on the disclosure set out in the unaudited condensed consolidated financial statements.

The Group has not applied any new and amendments to HKFRSs that have been issued but not yet effective for the current accounting period.

### 3. SEGMENT INFORMATION

#### Operating segments

Information reported to the Group's chief operating decision maker ("CODM"), being the managing director of the Company, for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold or services rendered which is also consistent with the basis of organisation of the Group.

The Group has been organising its operations into four operating divisions, which also represent the operating segments of the Group for financial reporting purposes, namely (i) piped gas transmission and distribution; (ii) cylinder gas supply; (iii) gas distribution and (iv) food ingredients supply and FMCG. They represent four major lines of businesses engaged by the Group. The principal activities of the operating and reportable segments are as follows:

- (i) Piped gas transmission and distribution – sales of piped gas and construction of gas pipeline networks under gas contracts;
- (ii) Cylinder gas supply – sales and distribution of gas using tank containers to end-user households, industrial and commercial customers;
- (iii) Gas distribution – sales of natural gas to industrial and commercial customers, and
- (iv) Food ingredients supply and FMCG – wholesales and retail of merchandise (including but not limited to rice; meat; fresh food and FMCG) through supermarket and convenience stores.

No operating segments have been aggregated to derive the reportable segments for segment information presentation.

Segment results represents the profit (loss) before tax earned (loss incurred) by each segment without allocation of central administration costs, share of results of associates and joint ventures, certain other income and other gains and losses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Amounts of segment assets and liabilities of the Group are not reviewed by the CODM or otherwise regularly provided to the CODM.

There were no inter-segment sales in the Period (2023: nil).

The following is an analysis of the Group's revenue and results by reportable and operating segment.



**For the six months ended 30 June 2024 (Unaudited)**

	Piped gas transmission and distribution <i>RMB'000</i>	Cylinder gas supply <i>RMB'000</i>	Gas distribution <i>RMB'000</i>	Food ingredients supply and FMCG <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue from external customers	<u>637,608</u>	<u>331,480</u>	<u>347,595</u>	<u>45,008</u>	<u>1,361,691</u>
Segment profit (loss)	<u>39,980</u>	<u>17,069</u>	<u>1,955</u>	<u>(2,391)</u>	56,613
Unallocated income					2,722
Central administration costs					(6,588)
Share of results of associates					12,573
Share of results of joint ventures					12,770
Finance costs					<u>(1,897)</u>
Profit before tax					<u>76,193</u>
<b>Other segment information</b>					
Amounts included in the measure of segment results:					
Depreciation and amortisation	16,130	6,789	456	3,142	26,517
Unallocated depreciation and amortisation					<u>348</u>
Total					<u>26,865</u>
Loss on disposal of property, plant and equipment	-	3,700	-	-	<u>3,700</u>
<b>Amounts regularly provided to the CODM but not included in the measure of segment results:</b>					
Interests in associates					186,625
Interests in joint ventures					<u>1,066,224</u>

For the six months ended 30 June 2023

	Piped gas transmission and distribution <i>RMB'000</i>	Cylinder gas supply <i>RMB'000</i>	Gas distribution <i>RMB'000</i>	Food ingredients supply and FMCG <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue from external customers	<u>552,977</u>	<u>331,427</u>	<u>350,240</u>	<u>51,134</u>	<u>1,285,778</u>
Segment profit (loss)	<u>37,757</u>	<u>21,274</u>	<u>1,903</u>	<u>(2,581)</u>	58,353
Unallocated income					3,456
Central administration costs					(7,957)
Share of results of associates					14,491
Share of results of joint ventures					23,889
Finance costs					<u>(2,387)</u>
Profit before tax					<u>89,845</u>
<b>Other segment information</b>					
Amounts included in the measure of segment results:					
Depreciation and amortisation	16,361	6,577	497	2,788	26,223
Unallocated depreciation and amortisation					<u>163</u>
Total					<u>26,386</u>
(Gain) loss on disposal of property, plant and equipment	(20)	198	–	–	<u>178</u>
<b>Amounts regularly provided to the CODM but not included in the measure of segment results:</b>					
Interests in associates					167,194
Interests in joint ventures					<u>1,370,996</u>

The Group's revenue from contracts with customers has been disaggregated as (i) piped gas transmission and distribution (without gas connection), cylinder gas supply, gas distribution and food ingredients supply and FMCG of approximately RMB1,321,144,000 (2023: RMB1,217,267,000) and (ii) gas connection of approximately RMB40,547,000 (2023: RMB68,511,000) for the Period.

### Geographical information

The Group's business is principally carried out in the PRC. All the revenue of the Group for both periods are derived from the PRC based on the locations of goods delivered and services provided and the Group's non-current assets are physically located in the PRC. Accordingly, no geographical information is presented.

### Information about major customers

No individual customer of the Group had contributed sales of over 10% of the total revenue of the Group for the Reporting Period and the corresponding period of last year.

## 4. OTHER GAINS AND LOSSES

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Loss on disposal of property, plant and equipment	(3,700)	(178)
Net foreign exchange (loss) gain	(576)	1,792
Gain on disposal of subsidiary	5,371	–
Impairment loss under the expected credit loss model, net of reversal		
– trade receivables from contracts with customers	(2,258)	1,136
– other receivable	2,472	(1,125)
	<u>1,309</u>	<u>1,625</u>

## 5. OTHER INCOME

	(Unaudited)	
	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bank interest income	2,722	2,025
Government grant	438	138
Rental income, net	1,258	4,597
Repair and maintenance services income	58	785
Sales of gas appliance and materials, net	7,495	8,942
Others	7,892	6,039
	<u>19,863</u>	<u>22,526</u>

## 6. FINANCE COSTS

	<b>(Unaudited)</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest on bank borrowings	<b>1,572</b>	1,878
Interest on lease liabilities	<b>325</b>	509
	<b><u>1,897</u></b>	<b><u>2,387</u></b>

## 7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following:

	<b>(Unaudited)</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Staff costs including Directors' emoluments:		
Directors' emoluments	<b>2,352</b>	2,575
Salaries, allowance and benefits in kind	<b>63,033</b>	67,785
Retirement benefits scheme contribution	<b>8,907</b>	9,498
	<b>74,292</b>	79,858
Cost of inventories recognised as expenses	<b>1,166,653</b>	1,085,139
Depreciation of property, plant and equipment	<b>23,594</b>	22,201
Depreciation of right-to-use assets	<b>2,656</b>	3,570
Amortisation of intangible assets (included in administrative expense)	<b>615</b>	615
Contract cost recognised as expense in respect of gas connection construction contracts	<b>27,434</b>	36,862
	<b><u>27,434</u></b>	<b><u>36,862</u></b>

## 8. INCOME TAX EXPENSE

	<b>(Unaudited)</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
PRC Enterprise Income Tax (“EIT”):		
– current tax	<b>9,758</b>	12,152
– under provision in previous periods	<b>58</b>	(179)
Deferred taxation	<u><b>(231)</b></u>	<u>(1,763)</u>
	<u><b>9,585</b></u>	<u>10,210</u>

The taxation charge mainly represents EIT of the PRC for both periods.

No provision for Hong Kong Profits Tax has been made in the unaudited condensed consolidated financial statements as the Group had no assessable profits derived in Hong Kong for both periods.

The EIT rates applicable for the Group’s PRC subsidiaries ranged from 15% to 25% (2023: 15% to 25%).

Following the “Catalogue of Encouraged Industries in Western Region” which was promulgated by the National Development and Reform Commission of the PRC in 2014, certain subsidiaries which are operating in the western China were granted a concessionary tax rate of 15% by the local tax bureau.

### **Income tax credit for small-scaled minimal profit enterprise**

#### **For the period ended 30 June 2024**

In accordance with the announcement no. 12 of 2023 regarding 《關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》 (“Announcement on Tax and Fee Policies for Further Supporting the Development of Small Profit Making Enterprises and Individual Industrial and Commercial Household\*\*”) issued by the Ministry of Finance and the State Taxation Administration, for the period from 1 January 2023 to 31 December 2027, in respect of the portion of taxable income for the year derived by the Group’s small profitmaking enterprises, the annual taxable income shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%.

\* For identification purpose only

## 9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2024 (2023: nil), nor has any dividend has been proposed since the end of the reporting period.

## 10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	<b>(Unaudited)</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Earnings</b>		
Profit for the period attributable to the owners of the Company and for the purpose of basic earnings per share	<b>43,394</b>	<b>67,475</b>
	<b>8,934,561,203</b>	<b>8,934,561,203</b>
	<b>8,934,561,203</b>	<b>8,934,561,203</b>

No diluted earnings per share for both periods were presented as there were no potential ordinary shares in issue for both periods.

## 11. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>At</b>	<b>At</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Trade receivables (net of allowance for credit loss)	<b>67,537</b>	50,219
Bill receivables	<b>1,243</b>	6,677
Other receivables, deposits and prepayments	<b>171,040</b>	138,700
	<b>239,820</b>	195,596

The Group has a policy of allowing a credit period ranging from 0 to 180 days to its customers. Longer credit period is also allowed on a case-by-case basis. The following is an aged analysis of trade and bill receivables presented on the invoice date, which approximated the revenue recognition date, at the end of the reporting period:

	(Unaudited) At <b>30 June</b> <b>2024</b> <i>RMB'000</i>	(Audited) At 31 December 2023 <i>RMB'000</i>
Trade receivables (net of allowance for credit loss)		
0 to 90 days	62,441	40,920
91 to 180 days	3,475	3,119
Over 180 days	1,621	6,180
	<u>67,537</u>	<u>50,219</u>
Bill receivables		
0 to 90 days	1,223	3,680
91 to 180 days	20	2,997
Over 180 days	-	-
	<u>1,243</u>	<u>6,677</u>
Deposits paid for purchase of natural gas; cylinder gas; merchandise and construction materials	91,844	83,670
Rental and utilities deposits and prepayments	9,262	7,914
Other tax recoverable	9,076	11,171
Amounts due from non-controlling interest of subsidiaries	23,663	17,075
Other receivables and deposits	58,937	43,084
	<u>192,782</u>	<u>162,914</u>
Less: Allowance for credit losses	<u>(21,742)</u>	<u>(24,214)</u>
	<u>171,040</u>	<u>138,700</u>
Total trade, bills and other receivables and prepayments	<u><b>239,820</b></u>	<u><b>195,596</b></u>

## 12. TRADE AND OTHER PAYABLES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs with the average credit period on purchases of goods is 90 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	(Unaudited)	(Audited)
	At	At
	30 June	31 December
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 to 90 days	87,692	103,133
91 to 180 days	4,627	7,968
Over 180 days	9,842	13,766
	<hr/>	<hr/>
Trade payables	102,161	124,867
Piped gas customer deposits	13,514	19,662
Amounts due to non-controlling interests of subsidiaries	596	814
Accrued charges and other payables	108,567	128,677
	<hr/>	<hr/>
Total trade and other payables	<u>224,838</u>	<u>274,020</u>

## 13. CAPITAL COMMITMENTS

Capital and other expenditure contracted for but not provided in the condensed consolidated/consolidated financial statements in respect of:

	(Unaudited)	(Audited)
	At	At
	30 June	31 December
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Purchase of:		
Property, plant and equipment and right-of-use assets	<u>28,248,000</u>	<u>25,079,000</u>

## 14. CONTINGENT LIABILITIES

As at 30 June 2024, the Group has no significant contingent liability.



## **BUSINESS REVIEW**

In the first half of 2024, global output of natural gas remained at a high level, market supply and demand was loose, and the natural gas market continued to recover and improve in the PRC.

In the first half of 2024, the consumption of domestic natural gas was approximately 210.8 billion m<sup>3</sup>, representing a year-on-year increase of approximately 8.7%; the natural gas production was approximately 123.5 billion m<sup>3</sup>, representing a year-on-year increase of approximately 4.4%; the imported natural gas was approximately 90.2 billion m<sup>3</sup>, representing a year-on-year increase of approximately 14.8%, of which the piped gas was approximately 37.7 billion m<sup>3</sup>, and liquefied natural gas was approximately 52.5 billion m<sup>3</sup>.

As of the Period, the revenue of the Group amounted to approximately RMB1,362 million (2023: RMB1,286 million), representing an increase of approximately 5.90% as compared with the corresponding period of last year, while profit of the Group for the Period was approximately RMB66.61 million (2023: RMB79.64 million), representing a decrease of approximately 16.36% as compared with the corresponding period of last year, which was mainly due to reduced profit contribution from the joint ventures. Basic earnings per share of the Company was RMB0.49 cents (2023: RMB0.76 cents). The gross profit margin of the Group was approximately 12.31% (2023: 12.74%), representing a decrease of approximately 0.43% as compared with the corresponding period of last year. The decrease in gross profit margin was mainly attributable to the increase in the proportion of businesses with lower gross profit margin.

### **Piped Gas Transmission and Distribution Business**

Piped gas transmission and distribution business is one of our main businesses and source of income. For the Period, revenue of approximately RMB637,608,000 was recorded from our piped gas transmission and distribution business, representing an increase of approximately RMB84,631,000 or 15.30% as compared with the corresponding period of last year, which accounted for approximately 46.82% (2023: 43.01%) of our total revenue. The gross profit margin of piped gas transmission and distribution business for the Period was approximately 11.54% (2023: 12.12%). The decrease in gross profit margin of piped gas transmission and distribution business was mainly due to the increase in the proportion of gas sales business with lower gross profit margin.

– ***Piped Gas Connection***

During the Period, revenue from piped gas connection was approximately RMB40,547,000, representing decrease of approximately RMB27,964,000 or 40.82% as compared with the corresponding period of last year, which represented approximately 6.36% (2023: 12.39%) of the total revenue of the piped gas transmission and distribution business. During the Period, there was an addition of 7,538 units of connected residential household customers and 325 units of connected commercial and industrial (“C/I”) customers, respectively. As of 30 June 2024, the accumulated number of connected residential household customers was 574,442 units; and the accumulated number of connected C/I customers was 12,635 units, representing an increase of approximately 3.92% and 6.36%, respectively as compared with the corresponding period of last year.

– ***Piped Gas Sales***

During the Period, revenue from piped gas sales was approximately RMB597,061,000, representing an increase of approximately RMB112,595,000 or 23.24% as compared with the corresponding period of last year. The increase in revenue was mainly due to the increase in demand during the Period. Revenue from piped gas sales accounted for approximately 93.64% (2023: 87.61%) of the total revenue from the piped gas transmission and distribution business. Our piped gas sales achieved approximately 233.60 million m<sup>3</sup> (2023: 222.43 million m<sup>3</sup>), representing an increase of approximately 5.02% as compared to the corresponding period of last year. Among the total sales, approximately 77.34 million m<sup>3</sup> (2023: 68.01 million m<sup>3</sup>) were sold to residential household customers, which represented an increase of approximately 13.71% as compared with the corresponding period of last year; approximately 156.27 million m<sup>3</sup> (2023: 154.42 million m<sup>3</sup>) were sold to C/I customers, which represented an increase of approximately 1.19% as compared with the corresponding period of last year.

**Cylinder Gas Supply Business**

Cylinder gas business is another major businesses of the Group. Currently, the Group’s cylinder gas business is mainly the sales of liquefied natural gas (LNG), liquefied petroleum gas (LPG), and liquefied dimethyl ether (DME) with cylinder. During the Period, while maintaining existing customers, we actively develop new customers for expanding the sales markets.

During the Period, sales of cylinder gas was approximately 52,094 tons (2023: 46,508 tons) in total, representing an increase of approximately 12.01% over the corresponding period of last year. A total sales revenue reached approximately RMB331,480,000 (2023: RMB331,427,000), representing an increase of approximately RMB53,000 or 0.02% over the corresponding period of last year. The gross profit margin of cylinder gas supply business during the Period was approximately 25.22% (2023: 26.22%). During the Period, revenue from cylinder gas supply business accounted for approximately 24.34% (2023: 25.78%) of the total revenue of the Group. The increase in the sales volume and a slight decrease in gross profit margin was due to lower selling price.

## **Gas Distribution Business**

Gas distribution business represents a business carried out by the Group in recent years, which has recently formed a certain business scale. The gas distribution business mainly purchases a large amount of gas resources from upstream suppliers and then distributes to other gas operating companies. Although investment in this business is not large, it can form a dominant position in the market at a lower cost, which is helpful for the development of downstream terminal business of the Group.

During the Period, revenue from gas distribution business was approximately RMB347,595,000, representing a decrease of approximately RMB2,645,000 or 0.76% as compared with the corresponding period of last year. The sales of gas was approximately 90,772 tons (2023: 79,660 tons), representing an increase of approximately 13.95% as compared with the corresponding period of last year. During the Period, revenue from gas distribution business accounted for approximately 25.53% (2023: 27.24%) of the Group's total revenue. The gross profit margin of gas distribution business during the Period was approximately 1.01% (2023: 1.02%). The gross profit margin remained generally the same as the corresponding period of last year, and sales revenue slightly decreased due to lower selling price.

## **Food Ingredients Supply and Fast-moving Consumer Good (“FMCG”) Business**

The food ingredients supply and FMCG business is a new business vigorously developed by the Group in recent years. The food ingredients supply is mainly service providing to commercial consumers through the combination of online and offline operations, supplying fruits and vegetables, fresh produce, seasoning, dry foods and oil and other ingredients. The supply of FMCG is mainly comprised of supermarket and community convenience stores. The consumer group targeted by the community supermarket is mainly the resident community population. It provides convenient goods and services for the fixed community residents through the combination of online and offline operations; while the type of consumption demand targeted by convenience stores is the temporary sales needs of community residents, which is feature by providing convenient goods and services for the immediate consumption by community residents through the sale of FMCG.

During the Period, the food ingredients supply and FMCG business realised revenue of approximately RMB45,008,000 (2023: RMB51,134,000), accounting for approximately 3.31% (2023: 3.97%) of the Group's total revenue. The business is under stable in development. Losses narrowed and business gained steady development.

## **New Project During the Period**

There was no new project for the Period.

## **Impairment Losses under the Expected Credit Loss Model, Net of Reversal**

Impairment losses under the expected credit loss model, net of reversal, amounted to gains of approximately RMB214,000 (2023: gains of RMB11,000), representing an increase of approximately RMB203,000 as compared with the gains of the corresponding period of last year. Such increase was mainly due to the reversal of impairment of other receivable increased.

## **Other Gains and Losses**

Other gains and losses for the Period amounted to gains of approximately RMB1,309,000 (2023: gains of RMB1,625,000), representing a decrease of approximately RMB316,000 as compared to the corresponding period of last year. Such decrease was mainly due to increase in loss on disposal of property, plant and equipment for the Period.

## **Other Income**

Other income for the Period amounted to approximately RMB19,863,000 (2023: RMB22,526,000), representing a decrease of approximately RMB2,663,000 as compared with the corresponding period of last year. Such decrease was mainly due to the decrease of rental income, net.

## **Finance Costs**

Finance costs for the Period amounted to approximately RMB1,897,000 (2023: RMB2,387,000), representing a decrease of approximately RMB490,000 as compared to the corresponding period of last year. Such decrease was mainly due to the decrease of interest on bank borrowings.

## **Selling and Distribution Expenses**

Selling and distribution expenses for the Period amounted to approximately RMB74,293,000 (2023: RMB71,994,000), representing an increase of approximately RMB2,299,000 as compared with the corresponding period of last year, which was mainly due to the increase in sales.

## **Administrative Expenses**

Administrative expenses for the Period amounted to approximately RMB61,736,000 (2023: RMB62,082,000), representing a decrease of approximately RMB346,000 as compared with the corresponding period of last year mainly due to decrease in staffs cost.

## **Share of Results of Associates**

Share of profit of associates for the Period amounted to approximately RMB12,573,000 (2023: RMB14,491,000), representing a decrease of approximately RMB1,918,000 as compared to the corresponding period of last year. Such decrease was mainly attributable to the decrease in profit generated by the Company's associates for the Period.

## **Share of Results of Joint Ventures**

Share of profit of joint ventures for the Period amounted to approximately RMB12,770,000 (2023: RMB23,889,000), representing a decrease of approximately RMB11,119,000 as compared to the corresponding period of last year. Such decrease was mainly attributable to the decrease in profit generated by the Company's joint ventures for the Period.

## **Income Tax Expenses**

Income tax expenses for the Period amounted to approximately RMB9,585,000 (2023: RMB10,210,000), representing a decrease of approximately RMB625,000 as compared to the corresponding period of last year. Such decrease was mainly attributable to the decrease in tax for current taxation.

## **Liquidity and Capital Resources**

As at 30 June 2024, the condensed consolidated financial position of the Group was as follows:

Currently, the sources of the operating and capital expenditure of the Group are operating cash flow, internal current capital and bank borrowings. The Group has sufficient funds to meet future capital expenditures and operational needs.

## **Borrowing Structure**

As at 30 June 2024, the total borrowings of the Group were approximately RMB71,725,000 (31 December 2023: RMB81,775,000), which comprised domestic bank borrowings denominated in RMB of the project companies in China. Borrowings, calculated at Loan Prime Rate announced by the People's Bank of China plus certain basis points of which interest rates are in the range of People's Bank of China base rate plus 0.00% to 7.8% (31 December 2023: plus 0.00% to 14.15%) per annum, are mainly applied to gas pipelines construction, as general working capital and for operating expenses. Apart from the borrowings of approximately RMB47,000,000 (31 December 2023: RMB62,000,000) which were secured by certain assets with carrying amount of approximately RMB145,072,000 (31 December 2023: RMB153,017,000), others were unsecured. Short-term borrowings amounted to approximately RMB71,725,000 (31 December 2023: RMB81,600,000, while others were long-term borrowings due after one year).

## **Capital Structure**

The long-term capital of the Group comprised equity attributable to owners and borrowings, which was confirmed by the sound debt-to-capitalisation ratio.

## **Foreign Exchange Risk**

As all of our operations are in China and substantially all of its revenue and expenses are denominated in RMB, there was no significant foreign exchange risk in its operation. We currently do not have foreign currency hedging policy but monitor the market trends of exchange rates closely, and adopt appropriate measures when necessary.

## **Capital and Other Commitments**

As at 30 June 2024, the capital commitments of the Group amounted to approximately RMB28,248,000 (31 December 2023: RMB25,079,000), mainly attributable to running district gas pipelines construction.

## **Contingent Liabilities**

As at 30 June 2024, the Group has no significant contingent liability.

## **Event After the End of the Reporting Period**

There was no significant event took place subsequent to the end of the reporting date.

## **Employees**

As at 30 June 2024, we had approximately 4,800 employees, most of them were stationed in China. The employees' salaries are determined from time to time with reference to their duties and responsibilities, business performance of the Group and profitability and market conditions. In addition to pension funds, individual employees may be granted discretionary bonus and/or share options as rewards for their performance.

## **PROSPECTS AND OUTLOOK**

The energy mix in the PRC is shifting towards low-carbon and environmentally friendly focus, with natural gas playing an increasingly prominent role. As compared with coal, natural gas is featured by significantly less pollutant emissions, making it the first choice for optimizing the energy mix. Currently, the natural gas consumption structure in the PRC has covered multiple fields such as urban gas, industrial fuel, chemical industry, transportation and power generation, among which urban gas consumption accounts for an overwhelming proportion. In pursuit of “emission peak and carbon neutrality” goals, natural gas, as a high-quality clean energy, plays an increasingly prominent role in optimizing the energy mix and improving the environment. It will become an important energy component in China’s transformation to a low-carbon industry, which will also usher in opportunities for the natural growth of business scale.

Natural gas and LPG remain the major commodities of the Group’s gas business in the future. Natural gas and LPG, as clean and low-carbon fossil energy, will further contribute to the achievement of peak carbon dioxide emissions and carbon neutrality goals in the future. The government will proactively promote the gas industry to achieve high quality development.

### **Piped Gas Transmission and Distribution Business**

As the economy develops, the urbanization advances and the environmental protection requirements under the “emission peak and carbon neutrality” goals improve, domestic demand for natural gas will continue to increase. Government policies will remain favorable for the development of the natural gas industry, including promoting the establishment of natural gas market pricing mechanism, pipeline transmission and reserve systems. The market-oriented reform for natural gas will further promote the market-based pricing of natural gas, thus propelling to form a unified national market. This may make the terminal price of natural gas more reasonable, which will provide a favorable policy environment for the piped gas transmission and distribution business. Therefore, we maintain confidence in the future piped gas market. The Group will continue to ensure the safe and effective operation of facilities and provide strong gas guarantee for people’s livelihood.

### **Cylinder Gas Supply Business**

As featured by flexible and convenient supply methods, efficient, clean and wide range of application scenarios, cylinder gas is constantly required in commercial fields such as household and catering industries, tourism, hotels, and some industrial sectors. It will maintain a relatively important position in the national energy mix and become an effective supplement to the piped gas supply. For places where piped gas connection costs are high and are not accessible to gas pipeline network, cylinder gas has greater advantages and will remain as a beneficial supplement to the piped gas supply in the foreseeable future.



## **Gas Distribution Business**

As an efficient and clean energy, LNG has broad application prospect in industry, power generation, transportation and other fields. As its technology advances, production costs of LNG further decrease and supply capacity increases. At the same time, LNG transportation and storage technology is also constantly improving, providing technical support for the wide application of LNG. In terms of the gas distribution, the Group will seize industry development opportunities and strive to expand the scale of gas distribution, thus steadily increasing gas sales and revenue.

The Group will continue to ensure the safe and efficient operation of its gas business, and guarantee the gas supply for people's livelihood. It will also actively develop industrial gas, expand its market share and follow government policy guidelines to achieve the sustainable development of the Group's gas business featuring healthy, orderly and safe.

## **Food Ingredients Supply and FMCG Business**

The food ingredients supply business and FMCG business are new businesses developed by the Group in recent years, and are also closely related to the lives of urban residents. In terms of the food ingredients supply business, the Group will continue to accumulate experience and further improve the business operation model based on market demand, improve service quality and reduce operating costs. In terms of the FMCG business, the Group strives to ensure product quality and after-sales service level through the accumulation of core resource advantages in brands and products, and continuously optimize the FMCG operation model in order to better serve users, reduce costs and increase efficiency, thus bringing benefits to the shareholders of the Company.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

## **CORPORATE GOVERNANCE**

The Company's corporate governance practices are based on the principles and the code provisions (the "Code Provisions") as set out in the "Corporate Governance Code" contained in Appendix C1 of the Listing Rules on the Stock Exchange. As far as the Code Provisions is concerned, for the six months ended 30 June 2024, the Company complies with all aspect of the Code Provisions.



## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (“MODEL CODE”)**

The Company has adopted the Model Code set out in the Appendix C3 to the Listing Rules, as amended from time to time. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the Period.

## **REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE**

The audit committee of the Company has reviewed the Group’s consolidated financial statements for the Period, including the accounting principles adopted by the Group, with the Company’s management.

## **PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

The interim results announcement and interim report of the Company for the Period containing all the information required by the Listing Rules will be published on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the website of the Company at [www.681hk.com](http://www.681hk.com) and be despatched to the Shareholders, if required, in due course.

By Order of the Board  
**Chinese People Holdings Company Limited**  
**Mr. Fan Fangyi**  
*Managing Director and Executive Director*

Beijing, 29 August 2024

*As at the date of this announcement, the Board comprises five Executive Directors namely, Dr. Mo Shikang (Chairman), Mr. Zhang Hesheng (Deputy Chairman), Mr. Fan Fangyi (Managing Director), Miss Mo Yunbi and Ms. Li Fun Replen and three Independent Non-executive Directors namely, Dr. Liu Junmin, Prof. Zhao Yanyun and Mr. Cheung Chi Ming.*