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SINO GAS HOLDINGS GROUP LIMITED

中油潔能控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1759)

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

BUSINESS HIGHLIGHTS

For the six months ended 30 June 2025, the sales volume of liquefied petroleum gas increased by approximately 102.4 thousand tonnes to approximately 228.6 thousand tonnes (for the six months ended 30 June 2024: approximately 126.2 thousand tonnes), the sales volume of liquefied natural gas increased by approximately 1.3 thousand tonnes to approximately 2.3 thousand tonnes (for the six months ended 30 June 2024: approximately 1.0 thousand tonnes), and the sales volume of compressed natural gas decreased by approximately 2.4 million cubic metres to approximately 20.2 million cubic metres (for the six months ended 30 June 2024: approximately 22.6 million cubic metres).

For the six months ended 30 June 2025, the revenue increased by approximately RMB462.7 million to approximately RMB1,140.3 million (for the six months ended 30 June 2024: approximately RMB677.6 million).

For the six months ended 30 June 2025, the gross profit decreased by approximately RMB2.9 million to approximately RMB24.8 million (for the six months ended 30 June 2024: approximately RMB27.7 million).

For the six months ended 30 June 2025, the loss for the period decreased by approximately RMB0.2 million to approximately RMB3.6 million (for the six months ended 30 June 2024: approximately RMB3.8 million).

For the six months ended 30 June 2025, the loss attributable to equity shareholders of the Company decreased by approximately RMB0.6 million to approximately RMB2.7 million (for the six months ended 30 June 2024: approximately RMB3.3 million).

THE FINANCIAL STATEMENTS

The board (the “**Board**”) of directors (the “**Directors**”) of Sino Gas Holdings Group Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”, “**our Group**”, “**we**” or “**us**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024. These consolidated interim financial statements for the six months ended 30 June 2025 are unaudited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	1,140,332	677,584
Cost of sales		<u>(1,115,536)</u>	<u>(649,855)</u>
Gross profit		24,796	27,729
Other income, net	4	10,009	6,650
Staff costs	5(b)	(15,118)	(14,702)
Depreciation on property, plant and equipment and right-of-use assets	5(c)	(5,251)	(5,683)
Short-term lease charges	5(c)	(202)	(235)
Other operating expenses	5(d)	(11,419)	(10,750)
Finance costs	5(a)	(5,410)	(5,014)
Share of result of a joint venture		(740)	(1,461)
Share of result of associates		<u>(13)</u>	<u>(1)</u>
Loss before taxation		(3,348)	(3,467)
Income tax expenses	6	<u>(260)</u>	<u>(374)</u>
Loss for the period		<u>(3,608)</u>	<u>(3,841)</u>
Loss for the period attributable to:			
Equity holders of the Company		(2,660)	(3,284)
Non-controlling interests		<u>(948)</u>	<u>(557)</u>
Loss for the period		<u>(3,608)</u>	<u>(3,841)</u>
Loss per share (RMB)	7		
— Basic and diluted		<u>(0.02)</u>	<u>(0.02)</u>

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss for the period	(3,608)	(3,841)
Other comprehensive (loss)/income for the period (after tax):		
<i>Item that is may be reclassified subsequently to profit or loss:</i>		
— Exchange difference on translation of functional currency to presentation currency	<u>(1,461)</u>	<u>584</u>
Total comprehensive loss for the period	<u>(5,069)</u>	<u>(3,257)</u>
Total comprehensive loss for the period attributable to:		
Equity holders of the Company	(4,121)	(2,700)
Non-controlling interests	<u>(948)</u>	<u>(557)</u>
Total comprehensive loss for the period	<u>(5,069)</u>	<u>(3,257)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
	<i>Note</i>		
Non-current assets			
Property, plant and equipment and right-of-use assets	8	98,970	104,493
Interest in a joint venture		8,182	8,922
Interest in associates		15,912	14,925
Financial assets measured at fair value through profit or loss		24,301	24,301
Deferred tax assets		10,365	10,341
		157,730	162,982
		157,730	162,982
Current assets			
Inventories		2,340	3,059
Trade receivables	9	195,092	158,063
Prepayments, deposits and other receivables		68,663	43,467
Income tax recoverable		3,053	2,600
Pledged and restricted deposits		815,000	615,000
Bank balances and cash		136,564	154,440
		1,220,712	976,629
		1,220,712	976,629
Current liabilities			
Interest-bearing borrowings		960,000	720,000
Trade payables	10	8,613	7,326
Accrued expenses and other payables		23,017	20,055
Lease liabilities		806	877
		992,436	748,258
		992,436	748,258
Net current assets		228,276	228,371
Total assets less current liabilities		386,006	391,353

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Non-current liabilities		
Lease liabilities	1,127	1,405
Deferred tax liabilities	1,671	1,671
	<u>2,798</u>	<u>3,076</u>
NET ASSETS	<u>383,208</u>	<u>388,277</u>
CAPITAL AND RESERVES		
Share capital	1,892	1,892
Reserves	366,861	370,982
Equity attributable to equity holders of the Company	368,753	372,874
Non-controlling interests	<u>14,455</u>	<u>15,403</u>
TOTAL EQUITY	<u>383,208</u>	<u>388,277</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The condensed interim financial information for the six months ended 30 June 2025 (the “**Reporting Period**” or “**Period**”) has been prepared in accordance with IAS Standards 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). It was authorised for issue on 29 August 2025.

This condensed interim financial information contains the condensed consolidated financial statements and selected explanatory notes for the six months ended 30 June 2025 that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2024, and therefore, does not include all the information and disclosures required for a full set of financial statements prepared in accordance with all applicable IFRS Accounting Standards (“**IFRSs**”). They shall be read in conjunction with the consolidated financial statements for the year ended 31 December 2024.

The condensed interim financial information is unaudited, but has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

(b) Changes in accounting policies

The accounting policies adopted in preparing this condensed interim financial information are consistent with those applied in preparing the Group’s consolidated financial statements for the year ended 31 December 2024. The adoption of the new/revised IFRSs that are relevant to the Group and effective for the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

The Group has not early adopted any new/revised IFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2025. The directors of the Company are in the process of assessing the possible impact on the future adoption of these new/revised IFRSs, but are not yet in a position to reasonably estimate their impact on the Group’s results and financial position.

2 SEGMENT INFORMATION

The Group manages its reporting segments by different business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management and the Board of directors for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Retail: This segment principally generates revenue from the sale of liquefied petroleum gas (the "LPG"), compressed natural gas (the "CNG") and liquefied natural gas (the "LNG") to vehicular end users by operating gas refuelling stations and industrial customers.
- Wholesale: This segment principally generates revenue from the sale of LPG, CNG and LNG to gas merchants.

For the purposes of assessing the performance of operating segments and allocating resources between segments, the Group's most senior executive management and the Board of directors monitor the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the cost of sales incurred by those segments. The measure used for reporting segment result is gross profit. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

Inter-segment sales are priced at cost plus profit margin. The Group's other expenses, such as staff costs and other operating expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expense is presented.

(a) Segment results

Analysis of the Group's segmental information by business during the six months is set out below:

	Six months ended 30 June				
	Retail 2025 RMB'000 (Unaudited)	Wholesale 2025 RMB'000 (Unaudited)	Unallocated 2025 RMB'000 (Unaudited)	Inter- segment	Total 2025 RMB'000 (Unaudited)
				elimination	
				2025 RMB'000 (Unaudited)	
Revenue recognised at a point in time before elimination	57,036	2,358,785	–	(1,275,489)	1,140,332
Inter-segment revenue	<u>(3,673)</u>	<u>(1,271,816)</u>	<u>–</u>	<u>1,275,489</u>	<u>–</u>
Revenue recognised at a point in time after elimination	<u>53,363</u>	<u>1,086,969</u>	<u>–</u>	<u>–</u>	<u>1,140,332</u>
Reportable segment gross profit after elimination	15,390	9,406	–	–	24,796
Other income, net	773	7,186	2,050	–	10,009
Depreciation on property, plant and equipment and right-of-use assets	(3,246)	(1,772)	(233)	–	(5,251)
Short-term lease charges	(68)	(134)	–	–	(202)
Finance costs	(97)	(5,305)	(8)	–	(5,410)
Share of result of associates	–	–	(13)	–	(13)
Share of result of a joint venture	–	–	(740)	–	(740)
Unallocated staff costs	–	–	(15,118)	–	(15,118)
Unallocated other operating expenses	–	–	(11,419)	–	<u>(11,419)</u>
Total consolidated loss before taxation					<u><u>(3,348)</u></u>

	Six months ended 30 June				
	Retail	Wholesale	Unallocated	Inter-segment elimination	Total
	2024	2024	2024	2024	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue recognised at a point in time before elimination	72,954	1,335,572	–	(730,942)	677,584
Inter-segment revenue	<u>(2,894)</u>	<u>(728,048)</u>	<u>–</u>	<u>730,942</u>	<u>–</u>
Revenue recognised at a point in time after elimination	<u>70,060</u>	<u>607,524</u>	<u>–</u>	<u>–</u>	<u>677,584</u>
Reportable segment gross profit after elimination	21,958	5,771	–	–	27,729
Other income, net	191	6,279	180	–	6,650
Depreciation on property, plant and equipment and right-of-use assets	(3,055)	(2,172)	(456)	–	(5,683)
Short-term lease charges	(174)	(61)	–	–	(235)
Finance costs	(58)	(4,869)	(87)	–	(5,014)
Share of result of an associate	–	–	(1)	–	(1)
Share of result of a joint venture	–	–	(1,461)	–	(1,461)
Unallocated staff costs	–	–	(14,702)	–	(14,702)
Unallocated other operating expenses	–	–	(10,750)	–	<u>(10,750)</u>
Total consolidated loss before taxation					(3,467)

(b) Geographic information

The Group's revenue is substantially generated from the sales of LPG, CNG and LNG in the PRC. The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided for the six months ended 30 June 2025 and 2024.

(c) Information about major customers

No revenue from a single external customer amounted to 10% or more of the Group's revenue for the six months ended 30 June 2025 and 2024.

3 REVENUE

	Six months ended 30 June 2025		
	Retail RMB'000 (Unaudited)	Wholesale RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from contracts with customers within IFRS 15			
— LPG	—	1,056,288	1,056,288
— CNG	42,598	25,483	68,081
— LNG	10,765	—	10,765
— Others	—	5,198	5,198
	<u>53,363</u>	<u>1,086,969</u>	<u>1,140,332</u>

	Six months ended 30 June 2024		
	Retail RMB'000 (Unaudited)	Wholesale RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from contracts with customers within IFRS 15			
— LPG	—	582,195	582,195
— CNG	65,180	17,354	82,534
— LNG	4,880	—	4,880
— Others	—	7,975	7,975
	<u>70,060</u>	<u>607,524</u>	<u>677,584</u>

4 OTHER INCOME, NET

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Lease income from operating leases	1,188	432
Government grants	15	197
Interest income	7,181	6,903
Investment income	912	—
Net gain on disposal of subsidiaries	597	—
Net foreign exchange loss	(257)	(1,249)
Others	373	367
	<u>10,009</u>	<u>6,650</u>

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Interest on bank loans	5,370	4,914
Interest on lease liabilities	40	100
	<u>5,410</u>	<u>5,014</u>

(b) Staff costs

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Salaries, wages, and other benefits	14,082	13,688
Defined contribution retirement plan contributions	1,036	1,014
	<u>15,118</u>	<u>14,702</u>

(c) Other items

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Depreciation charge		
— Property, plant and equipment	4,000	5,178
— Right-of-use assets	1,251	505
Short-term lease charges	202	235
Cost of inventories	1,115,536	649,855
	<u>1,115,536</u>	<u>649,855</u>

(d) Other operating expenses

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Utilities expenses	1,657	2,447
Professional service fees	1,115	2,796
Maintenance expenses	1,484	783
Taxation other than income tax	1,625	1,017
Administrative expenses	472	601
Entertainment expenses	737	649
Transportation fees	361	459
Loss on disposal of property, plant and equipment, net	976	25
Others	2,992	1,973
	<u>11,419</u>	<u>10,750</u>
Other operating expenses	<u>11,419</u>	<u>10,750</u>

6 TAXATION

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax		
Provision for the period	312	490
Deferred tax		
Origination and reversal of temporary differences	(52)	(116)
	<u>260</u>	<u>374</u>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Company and the Group’s BVI subsidiaries are not subject to income tax in those jurisdictions.
- (ii) The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the six months ended 30 June 2025 (six months ended 30 June 2024: 16.5%). These companies did not have assessable profits for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB Nil).
- (iii) The Group’s subsidiaries in the PRC (excluding Hong Kong) are subject to PRC Enterprise Income Tax at a rate of 25% during the six months ended 30 June 2025 (six months ended 30 June 2024: 25%).

7 LOSS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately RMB2,660,000 for the six months ended 30 June 2025 (six months ended 30 June 2024 (unaudited): loss of approximately RMB3,284,000) and the weighted average of 216,000,000 ordinary shares (six months ended 30 June 2024 (unaudited): 216,000,000 ordinary shares).

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2025 and 2024 (unaudited).

8 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

(a) Right-of-use assets

For the six months ended 30 June 2025, the additions to right-of-use assets were RMB Nil (six months ended 30 June 2024 (unaudited): RMB Nil).

(b) Property, plant and equipment

For the six months ended 30 June 2025, the Group’s additions to property, plant and equipment were approximately RMB0.01 million (six months ended 30 June 2024 (unaudited): approximately RMB0.3 million). Property, plant and equipment with a net carrying amount of approximately RMB1.0 million were disposed during the six months ended 30 June 2025 (six months ended 30 June 2024 (unaudited): approximately RMB0.1 million), contributing to a loss on disposal of approximately RMB1.0 million (six months ended 30 June 2024 (unaudited): a loss on disposal of approximately RMB0.1 million).

9 TRADE RECEIVABLES

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Trade receivables due from:		
— the third parties	146,597	112,301
— a joint venture	52,320	49,587
	198,917	161,888
Less: loss allowance	(3,825)	(3,825)
	195,092	158,063

At 30 June 2025, no trade and other receivables are expected to be recovered after more than 12 months (2024: Nil).

Ageing analysis

As of the end of the Reporting Period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Within 1 month	108,102	68,928
1 to 3 months	23,081	33,080
3 to 6 months	20,663	18,446
Over 6 months	20,579	25,437
Over 12 months	22,667	12,172
	195,092	158,063

10 TRADE PAYABLES

As of the end of the Reporting Period, the ageing analysis of trade creditors based on the invoice date, is as follows:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Trade payables — third parties	<u>8,613</u>	<u>7,326</u>
	<u>8,613</u>	<u>7,326</u>

The trade payables to third parties are unsecured, interest-free and with credit period of 30 to 90 days.

As of the end of the Reporting Period, the ageing analysis of the Group's trade payables by invoice date, is summarised as follows:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Within 1 month	8,194	6,895
1 to 3 months	235	221
3 to 6 months	—	—
Over 6 months	<u>184</u>	<u>210</u>
	<u>8,613</u>	<u>7,326</u>

11 DIVIDENDS

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

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In the first half of 2025 (the “**Period**”), the global economic environment remained complex and volatile with persistently tense geopolitical situations. Against this backdrop, the domestic economy underwent further structural adjustments. According to data from the National Bureau of Statistics, the Gross Domestic Product (GDP) for the Period reached RMB66,053.6 billion, representing a year-on-year increase of 5.3%, maintaining its leading growth rate among the world’s major economies. The energy market presents both opportunities and challenges, and the production and consumption structures are continuously optimized, with the proportion of clean energy rising.

As an important clean energy source, the price, supply and demand of liquefied petroleum gas (“**LPG**”) and natural gas are influenced by a combination of factors including international geopolitics, trade policies, domestic economic situation and weather conditions.

In terms of LPG, the domestic market price for LPG exhibited characteristics of periodic fluctuations during the Period, demonstrating an overall trend of “rising followed by falling”. On the supply side, the intensified disruptions in the international market (such as Sino-US trade frictions, the Middle East situation, and Organization of the Petroleum Exporting Countries (OPEC) production increases) resulted in relatively weak operation of international crude oil, diminishing the price support for LPG. In the first half of 2025, the LPG market experienced relatively ample supply, while demand underperformed expectations. The estimated total domestic LPG supply reached 38.0736 million tonnes, while the estimated total demand was 37.5639 million tonnes. On the supply side, import volume remained at a relatively low level but still recorded a 1.49% year-on-year increase. The concentrated plant maintenance activities led to a 2.75% year-on-year production decline. On the demand side, demand for household heating and combustion remained weak due to higher-than-average temperatures, while chemical sector demand was moderate. Despite overall market pressure, the Group proactively seized opportunities and adjusted its sales strategy, achieving robust year-on-year increase in both LPG sales volume and revenue during the Period, growing by 81.1% and 81.5% respectively.

In terms of natural gas, warmer-than-average winter temperatures resulted in lower-than-expected demand for urban gas heating, particularly the demand for heating gas failed to release as expected, and the market experienced a situation where supply exceeded demand. Furthermore, changes in the international natural gas market, coupled with increased domestic natural gas production which squeezed imports, led to a year-on-year decline in natural gas consumption and weaker price trends during the Period. In the first half of 2025, the apparent consumption of natural gas in China reached 210.463 billion cubic meters, representing a slight year-on-year decrease of 0.42%, remained overall stability. The Group’s natural gas business was affected by adjustments of transportation energy policies. During the Period, sales volume and sales revenue of compressed natural gas (“**CNG**”) declined, however, sales volume and sales revenue of liquefied natural gas (“**LNG**”) recorded an increase.

Facing a complex environment, the Group has always focused on ensuring stable supply, smooth operation and production safety throughout the Period. Aligning closely with the national energy strategy, the Group actively promoted clean energy, explored new business models, expanded business boundaries, and steadily advanced its transformation. Accurately monitoring fluctuations in market demand and leveraging diversified procurement channels and optimizing storage and logistics network layouts, the Group ensured stable product supply and rational pricing, consolidated its market share, and achieved breakthrough growth, while continuously improving customer satisfaction and brand reputation. Through strict compliance with industry regulatory requirements, technology upgrades, and management optimization to reduce costs and enhance efficiency, the Group proactively mitigated potential risks, effectively maintaining business resilience and vitality.

BUSINESS REVIEW

The Group is an integrated LPG and natural gas supplier in China with a complete industry chain that engages in the sales of LPG and natural gas and the operation of vehicular refuelling stations (車用加氣站) and domestic stations (民用站) in Guangdong Province, Henan Province and Hebei Province with over 19 years of proven track records in the industry.

(a) LPG Business

LPG could be commonly used as fuel sources for cooking or heating appliances. As at 30 June 2025, the Group owned an LPG terminal with storage facilities and 3 LPG domestic stations through Jiangmen Xinjiang Gas Company Limited (江門市新江煤氣有限公司) (“**Jiangmen Xinjiang Gas**”, a jointly-controlled entity) in Jiangmen, Guangdong Province.

The Group possesses a comprehensive business model in our LPG business. Our upstream procurement of LPG consists of large scale LPG domestic gas suppliers with their own terminal and storage which mainly import LPG from overseas, and domestic petrochemical refineries. With the delivery of our intermediary logistics (including vehicles or gas carrier ships designated for LPG use), the Group is able to provide LPG to our customers including LPG domestic stations and wholesale customers, and our customers mainly consist of wholesale customers.

For the six months ended 30 June 2025, the Group recorded the LPG sales revenue of approximately RMB1,056.3 million, representing an increase of approximately RMB474.1 million from the LPG sales revenue of approximately RMB582.2 million in the corresponding period in 2024. The increase in revenue was mainly attributable to the increase in sales volume of LPG.

(b) CNG Business

CNG is widely used in short-distance vehicles such as local buses and private vehicles. As at 30 June 2025, we had 12 CNG vehicular refuelling stations, 1 liquefied-to-compressed natural gas (the “**L-CNG**”) vehicular refuelling station and 3 CNG mother stations in Henan Province.

The CNG business model is well supported by our upstream suppliers primarily consisting of PetroChina Company Limited (“**PetroChina**”), which utilises the West to East Gas Transmission Tunnel (西氣東輸管道) to supply to our CNG mother stations, with our own logistics fleet being the major logistic system for distribution to the location of our CNG vehicular refuelling stations and the locations of our customers while some of our wholesale customers may also arrange for their own logistics arrangement. Our downstream portfolio consists of CNG vehicular refuelling stations and our customers consist of a variety of retail and wholesale customers.

For the six months ended 30 June 2025, the Group recorded the CNG sales revenue of approximately RMB68.1 million, representing a decrease of approximately RMB14.4 million from the CNG sales revenue of approximately RMB82.5 million in the corresponding period in 2024. The decrease in revenue was mainly attributable to the decline in the sales volume of CNG caused by structural adjustment of energy policies during the Period.

(c) LNG Business

The LNG refuelling market in China is still at an emerging stage due to its relatively high cost to process, liquefy and store compared with CNG. With the support of China government policies, the development and promotion of LNG has developed rapidly, especially with the rising demand for LNG in the industrial and power generation industries, which has laid a solid foundation for the growth of LNG. As at 30 June 2025, we had 1 L-CNG vehicular refuelling station in Henan Province.

For our LNG business model, the Group possesses a strong upstream procurement suppliers formed by large-scale LNG terminal companies. As vehicles containing special cryogenic storage facilities and tanks for LNG use are required for transportation of LNG, the Group uses the third party logistics service providers to transport our LNG to our LNG vehicular refuelling stations and to our wholesale customers. Meanwhile, the downstream portfolio consists of the LNG vehicular refuelling stations and our customers consist of retail and wholesale customers.

For the six months ended 30 June 2025, the Group recorded the LNG sales revenue of approximately RMB10.8 million, representing an increase of approximately RMB5.9 million from the LNG sales revenue of approximately RMB4.9 million in the corresponding period in 2024. The increase in revenue was mainly attributable to the increase in sales volume of LNG during the Period.

(d) Overall Business

For the six months ended 30 June 2025, the Group recorded the revenue of approximately RMB1,140.3 million, representing an increase of approximately RMB462.7 million from approximately RMB677.6 million for the six months ended 30 June 2024. The increase in the revenue was attributable to the increase in sales volume of LPG during the Period.

As at 30 June 2025, we operated a total of 19 gas refuelling stations and 3 petroleum refuelling stations, with 3 jointly-controlled LPG gas refuelling stations in Jiangmen, Guangdong Province.

As at 30 June 2025, the number of our refuelling stations in operation are set out below:

	As at 30 June 2025	As at 31 December 2024
Gas refuelling station		
LPG station	3	3
CNG station	12	12
L-CNG station	1	1
CNG mother station	3	3
	<hr/>	<hr/>
Total number of gas refuelling stations	19	19
	<hr/>	<hr/>
Petroleum refuelling station	3	3
	<hr/>	<hr/>
Total	22	22
	<hr/> <hr/>	<hr/> <hr/>

Meanwhile, as at 30 June 2025, the breakdown of our refuelling stations in operation by cities and provinces are set out below:

City, Province	LPG refuelling stations	CNG refuelling stations	L-CNG refuelling stations	Petroleum refuelling stations	Total number of stations
Jiangmen, Guangdong Province	3 ⁽¹⁾	0	0	0	3
Total number of refuelling stations in Guangdong Province	3	0	0	0	3
Zhengzhou, Henan Province	0	9	0	1	10
Zhumadian, Henan Province	0	3 ⁽²⁾	0	2	5
Xinzheng, Henan Province	0	3 ⁽³⁾	1	0	4
Total number of refuelling stations in Henan Province	0	15	1	3 ⁽⁴⁾	19
Total	3	15	1	3	22

Notes:

1. These 3 LPG domestic stations are possessed by Jiangmen Xinjiang Gas, a jointly-controlled entity of the Group.
2. It comprises 1 CNG mother station in Zhumadian City, Henan Province.
3. It comprises 2 CNG mother stations in Xinzheng City, Henan Province.
4. One of the petroleum refuelling stations is run by an independent third party.

The revenue by our product mix for the six months ended 30 June 2025 and 2024 are summarised as below:

	For the six months ended 30 June 2025			For the six months ended 30 June 2024		
	Sales volume (Note)	Revenue (RMB'000)	Percentage of revenue (%)	Sales volume (Note)	Revenue (RMB'000)	Percentage of revenue (%)
Retail						
LPG	–	–	0.0%	–	–	0.0%
CNG	10.40	42,598	3.7%	16.60	65,180	9.6%
LNG	2,318	10,765	1.0%	1,013	4,880	0.7%
Sub-total		<u>53,363</u>	<u>4.7%</u>		<u>70,060</u>	<u>10.3%</u>
Wholesale						
LPG	228,595	1,056,288	92.6%	126,226	582,195	85.9%
CNG	9.80	25,483	2.2%	6.00	17,354	2.6%
LNG	–	–	0.0%	–	–	0.0%
Others		<u>5,198</u>	<u>0.5%</u>		<u>7,975</u>	<u>1.2%</u>
Sub-total		<u>1,086,969</u>	<u>95.3%</u>		<u>607,524</u>	<u>89.7%</u>
Total		<u><u>1,140,332</u></u>	<u><u>100%</u></u>		<u><u>677,584</u></u>	<u><u>100%</u></u>

Note: Sales volume for LPG and LNG are measured in tonnes and sales volume for CNG is measured in million cubic metres.

OUTLOOK AND PROSPECTS

Looking forward to the second half of 2025, the domestic LPG market is expected to maintain a loose supply and demand landscape. Driven by the traditional peak consumption season of “Golden September and Silver October” and subsequent cold weather conditions, household combustion demand will see a seasonal rebound. Following initial adjustments, the operating rates of certain chemical plants are expected to increase, leading to a surge in demand for LPG feedstock. Consequently, the demand side will exhibit a combination of seasonal recovery and structural improvement. These demand recovery factors may provide short-term support to LPG prices, driving a periodic increase.

Supply condition tends to be ample with the end of plant maintenance activities. As the peak maintenance period of domestic refineries came to an end, capacity utilization rates will gradually recover, thereby enhancing domestic LPG supply capacity. Although various uncertainties such as geopolitical risks and Sino-US trade frictions persist, LPG imports are expected to maintain moderate growth as the market progressively adapts to potential change in trade policies. Following the ceasefire agreement concluded in the Israel-Iran conflict, the geopolitical risk premium has subsided. Against the backdrop of continued OPEC+ production resumptions and relatively weak refined oil demand in both China and the US, international crude oil prices are expected to face downward pressure, which may consequently impact LPG prices. Despite projected growth in both domestic LPG demand (household and chemical) and supply (domestic production and imports) during the second half of 2025, the magnitude of the supply recovery is expected to outpace the increase in demand. Consequently, the market’s overall oversupply situation is unlikely to be fundamentally reversed in the second half of the year.

China’s “National Strategy for Energy Production and Consumption Revolution (2016-2030)” sets a clear target to increase the proportion of natural gas in the energy mix to around 15% by 2030. In April 2025, the National Development and Reform Commission (NDRC) issued the “Guidance on Promoting the Integrated Development of Transportation and Energy”, emphasizing the advancement of integrated transportation and energy infrastructure development and the promotion of new energy transportation equipment. As a relatively clean and efficient fossil fuel, natural gas continues to play an increasingly important role in the energy transition. Underpinned by policy drivers, natural gas demand and consumption nationwide are projected to maintain steady growth in the third and fourth quarters of 2025. With the stabilization and recovery of the economy, consumption upgrades, and seasonal heating demand, residential and commercial natural gas consumption in the second half of 2025 is expected to continue its steady growth momentum. Gradual domestic economic recovery will drive a rebound in traditional industrial gas demand, notably from sectors such as manufacturing and mining. Meanwhile, emerging industries with higher requirements for energy quality and supply stability are expected to exhibit more pronounced growth potential in natural gas demand. Bolstered by sustained industrial policy support and the continuous improvement of infrastructure such as refueling stations, the market penetration rate of LNG vehicles (particularly heavy-duty trucks) is anticipated to further increase, driving steady growth in natural gas consumption within the transportation sector.

Both the LPG and natural gas markets face challenges arising from international market volatility, geopolitical risks, and domestic economic restructuring. At the same time, the ongoing advancement of energy structure optimization and transformation, robust policy support, and deepening market-oriented reforms are creating significant opportunities for industry development. The Group will closely monitor market dynamics and conduct in-depth analysis of industry trends, continue to deepen its core LPG and natural gas businesses to consolidate its market position, maintain a market-oriented approach, strengthen its customer service system, and enhance customer value, strengthen safety standards and establish a comprehensive risk management system, enhance technical support, drive industrial upgrading and improve operational efficiency through technological innovation and optimize its business layout to seize structural growth opportunities. The Group aims to proactively respond to market changes, effectively seize development opportunities, continuously enhance its core competitiveness, and achieve sustainable and high-quality development.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2025, the Group recorded revenue of approximately RMB1,140.3 million, representing an increase of approximately RMB462.7 million from the revenue of approximately RMB677.6 million in the corresponding period in 2024. The increase in revenue was mainly attributable to the increase in sales volume of LPG during the Period.

	At 30 June 2025 <i>RMB'000</i>	At 30 June 2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
LPG	1,056,288	582,195
CNG	68,081	82,534
LNG	10,765	4,880
Others	5,198	7,975
	<u>1,140,332</u>	<u>677,584</u>

Cost of Sales and Gross Profit

The Group's cost of sales primarily consisted of all costs of procuring LPG, CNG and LNG from the Group's suppliers and logistic services providers for transporting gases. The Group's cost of sales increased by approximately RMB465.6 million from approximately RMB649.9 million in the corresponding period in 2024 to approximately RMB1,115.5 million in the Period, which was mainly due to the increase in the purchase volume of LPG.

For the six months ended 30 June 2025, the gross profit of the Group was approximately RMB24.8 million, representing a decrease of approximately RMB2.9 million from the gross profit of approximately RMB27.7 million in the corresponding period in 2024. The decrease in gross profit was mainly due to the decline in the sales volume of CNG for vehicles which has a relatively higher gross profit margin.

Other Income

For the six months ended 30 June 2025, the Group's other income amounted to approximately RMB10.0 million, representing an increase of approximately RMB3.3 million from other income of approximately RMB6.7 million in the corresponding period in 2024. This was mainly due to the increase in interest income during the Period.

Staff Costs

For the six months ended 30 June 2025, the Group's staff costs were approximately RMB15.1 million, representing an increase of approximately RMB0.4 million from the staff costs of approximately RMB14.7 million in the corresponding period in 2024. This was mainly due to the increase in laid-off costs associated with the Group's redundancy of certain staff members during the Period.

Depreciation

For the six months ended 30 June 2025, the depreciation of the Group was approximately RMB5.3 million, representing a decrease of approximately RMB0.4 million from the depreciation of approximately RMB5.7 million in the corresponding period in 2024. This was mainly attributable to certain assets being fully depreciated in the Period.

Short-term Lease Charges

For the six months ended 30 June 2025, the short-term lease charges of the Group was approximately RMB0.2 million, basically staying unchanged with the operating lease charges of approximately RMB0.2 million in the corresponding period in 2024.

Other Operating Expenses

For the six months ended 30 June 2025, the Group's other operating expenses were approximately RMB11.4 million, representing an increase of approximately RMB0.6 million from other operating expenses of approximately RMB10.8 million in the corresponding period in 2024. This was mainly attributable to the loss on disposal of property, plant and equipment during the Period.

Finance Costs

For the six months ended 30 June 2025, the Group's finance costs were approximately RMB5.4 million, representing an increase of approximately RMB0.4 million from the finance costs of approximately RMB5.0 million in the corresponding period in 2024. This was mainly due to the rise in bank borrowing rate.

Loss Before Taxation

For the six months ended 30 June 2025, the Group's loss before taxation was approximately RMB3.3 million, and loss before taxation was approximately RMB3.5 million in the corresponding period in 2024.

Income Tax Expenses

For the six months ended 30 June 2025, the Group's income tax expense was approximately RMB0.3 million, representing a decrease of approximately RMB0.1 million from income tax expense of approximately RMB0.4 million in the corresponding period in 2024.

Loss for the Period

On the basis of the aforementioned reasons, for the six months ended 30 June 2025, the Group recorded a loss for the Period of approximately RMB3.6 million, and loss for the period of approximately RMB3.8 million in the corresponding period in 2024.

FINANCIAL POSITION

Liquidity, Financial Resources and Capital Structure

For the six months ended 30 June 2025, the financial position of the Group remained stable. As at 30 June 2025, the total value of assets was approximately RMB1,378.4 million, representing an increase of approximately RMB238.8 million as compared to the total value of assets of approximately RMB1,139.6 million as at 31 December 2024. The Group's cash was mainly held for working capital and gas facilities and transportation equipment needs.

As at 30 June 2025, the Group had approximately RMB815.0 million pledged and restricted deposits with financial institutions and approximately RMB136.6 million in cash and bank balances.

Capital Expenditure

The capital expenditure of the Group was mainly related to the payments for purchase of property, plant and equipment amounted to approximately RMB0 for the six months ended 30 June 2025.

Interest-bearing Borrowings

The Group's short-term borrowings as at 30 June 2025 and 31 December 2024 are summarised as below:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Secured bank loans and other borrowings	<u>960,000</u>	<u>720,000</u>

Gearing Ratio

The gearing ratio (calculated on the basis of the Group's total liabilities over total assets) was approximately 72.2% as at 30 June 2025 (31 December 2024: approximately 65.9%). The increase in gearing ratio was mainly attributable to the increase in interest-bearing borrowings.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had a total of 399 employees (including the staff of our joint venture, Jiangmen Xinjiang Gas) (30 June 2024: 420). The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employees. The remuneration payable to its employees includes salaries and allowances. The Group attaches importance to the creation and contribution of employees, acknowledges the important position of talent resource in the development of business operation and is committed to developing and maintaining good relationship with employees. The Group regularly organizes safety and skills training for its employees, and encourages its employees to attend industry-related seminars organized by professional institutions, in order to enhance the safety and technical capability of employees and promote their career growth and development.

USE OF PROCEEDS FROM THE LISTING

After deduction of all related listing expenses and commissions, the net proceeds from the listing of shares on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on 28 December 2018 (the “**Listing**”) amounted to approximately HK\$120.3 million. Details of the proposed use of such net proceeds are disclosed in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company for the Listing and subsequently revised in the announcement issued by the Company dated 27 February 2020. Up to 30 June 2025, the Group had utilized approximately HK\$70.9 million, representing approximately 58.9% of the net proceeds from the Listing as follows:

Intended use of proceeds	Original allocation <i>HK\$ million</i>	Revised allocation as at 27 February 2020 ⁽³⁾ <i>HK\$ million</i>	Utilised amount during the Period <i>HK\$ million</i>	Utilisation as at 30 June 2025 <i>HK\$ million</i>	Remaining balance as at 30 June 2025 <i>HK\$ million</i>	Expected timeline for full utilisation of the remaining proceeds ⁽⁴⁾
To acquire operating rights of an LPG domestic station ⁽¹⁾	20.5	20.5	0	0	20.5	By the end of 2026 ⁽¹⁾
To strengthen our LPG logistics and storage capacity by constructing storage facilities ⁽²⁾	21.7	21.7	0	0	21.7	By the end of 2026 ⁽²⁾
To complete construction, purchase land, equipment and machineries and installation for the new CNG mother station	27.7	14.5	–	14.5	0	N/A
To construct new refuelling stations, purchase and install their requisite equipment and machineries and perform maintenance of our existing refuelling stations	24.1	16.1	–	16.1	0	N/A
To increase our logistics capacity by purchasing additional vehicle fleets	14.4	14.4	0	7.2	7.2	By the end of 2026 ⁽⁶⁾
To finance the acquisition ⁽³⁾	–	21.1	–	21.1	0	N/A
General working capital	12.0	12.0	–	12.0	0	N/A
Total	120.3	120.3	0	70.9	49.4 ⁽⁶⁾	

Notes:

1. As the economic situation remains uncertain at present, the Group has not identified appropriate acquisition targets to date. The Group will assess suitable acquisition targets by adopting a prudent strategy, and anticipates utilizing the proceeds by the end of 2026.
2. The Group expects to use the proceeds for the construction of storage facilities by the end of 2026.
3. The Group acquired 50% of the equity interests of Henan Blue Sky Sino Gas Technology Company Limited and fully utilised the redistributed net proceeds at the end of March 2020. For details, please refer to the announcement of the Company dated 27 February 2020.
4. The expected timeline for full utilisation of the remaining proceeds is made based on the best estimation of the Group taking into account, among others, the prevailing and future market conditions and business developments and need, and therefore is subject to change.
5. As at 30 June 2025, the Group expected that, except for those described in the notes above, there will be no change in the planned use and timing of the use of proceeds from the Listing, and the unutilized net proceeds will be deposited into interest-bearing bank accounts.
6. The Group has not yet used up the proceeds and anticipates utilizing the proceeds by the end of 2026.

FOREIGN EXCHANGE EXPOSURE

As all of our operations are located in China, all of the revenue from customers of the Group are derived from activities in China.

The reporting currency of the Group is RMB. The Group has currency risk exposures arising from business operations and financial instruments that are denominated in a foreign currency, and such risk is primarily Hong Kong Dollar. In order to limit this foreign currency risk exposure, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rate or entering into appropriate forward contracts when necessary.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 June 2025. Our finance department is responsible for treasury management functions, which include, amongst others, researching and sourcing investment options for further consideration by the general manager, financial controller and the Board, and monitoring the investments on a continuous basis.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2025, the Group held unlisted equity securities of approximately RMB24.3 million, which was a supplemental means to improve utilisation of our cash on hand.

For the six months ended 30 June 2025, apart from the plans mentioned in section “Use of Proceeds from the Listing”, the Group had no definite future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

For the six months ended 30 June 2025, the Group had no material acquisitions and disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

In 2019, a subsidiary of the Group has been claimed, as one of the co-defendants, to compensate for damages for the purpose of debt disputes between the plaintiff and other third parties. The maximum exposure of the Group under the claims may amount to approximately RMB69,350,000 (the “**Claim I**”). In 2020, a judgement was determined in favour of the subsidiary of the Group without liability. In 2021, the aforementioned judgement was revoked for a re-trial and subsequently was completed and determined that no liability was required for the Group in 2022. After the completion of re-trial, the plaintiff had further submitted an appeal on the judgement. In June 2023, the court determined again that the subsidiary of the Group should not liable. As at the date of this announcement, the High People’s Court has rejected the plaintiff’s application for a retrial, and the case has been closed. In accordance with the final judgment, the subsidiary will not be found liable to the Claim I.

In 2023, a subsidiary of the Group has also been claimed, as one of the co-defendants, to compensate for damages for the purpose of debt disputes between the plaintiff and other third parties. The maximum exposure of the Group under the claims may amount to approximately RMB14,053,937 (the “**Claim II**”). The case was heard in the first instance in November 2023 and the court ruled that the subsidiary of the Group was not liable in July 2024. As at the date of this announcement, the plaintiff had not appealed the first instance judgment and the statute of limitations for appeal had expired, and the case was closed.

Accordingly, no provision has been made as at 30 June 2025.

PLEDGE OF ASSETS

As at 30 June 2025, RMB815,000,000 (2024: RMB615,000,000) of pledged and restricted deposits was pledged as securities for the Group's bank loans.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Corporate governance focuses on a listed company's internal processes and leadership, covering areas such as codes of conduct, audit and internal controls. The Board of the Company values the implementation of corporate governance and believes that sound corporate governance contributes to financial management and risk control of a listed company, improves its resilience and benefits the issuer and its investors on a long-term basis.

The Company has applied the principles set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. The Board believes that good corporate governance standards are essential in maintaining a balanced composition of executive Directors and independent non-executive Directors for the Board to exercise independent judgment effectively and providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company. The Board is of the view that the Company has complied with the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has devised its own code of conduct regarding Directors' dealings in the Company's securities (the “**Securities Dealing Code**”) on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Securities Dealing Code throughout the six months ended 30 June 2025.

The Company has also adopted the Securities Dealing Code as the written guidelines (the “**Employees Written Guidelines**”) for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities throughout the six months ended 30 June 2025.

DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed percentage of public float under the Listing Rules.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement was published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinogasholdings.com). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and/or published on the above websites in due course.

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

Hong Kong, 29 August 2025

As at the date of this announcement, the Directors are:

Executive Directors:

Mr. Ji Guang (*Chairman*)

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

Mr. Zhou Feng

Independent non-executive Directors:

Mr. Sheng Yuhong

Mr. Wang Zhonghua

Dr. Zheng Jian Peng