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天伦燃气
TIANLUN GAS

Tian Lun Gas Holdings Limited

天倫燃氣控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1600)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

- In 2025, facing multiple challenges arising from domestic and overseas macroeconomic conditions, market environments, and industry policies and mechanisms, the Group optimised its business portfolio, strengthened cost control, deepened its core businesses, and expanded its comprehensive service business, achieving stable and healthy overall development. Operating revenue reached RMB7,937 million, representing a year-on-year increase of 2.0%. Of this, revenue from the gas sales business increased by 4.6% to RMB6,813 million, and revenue from the comprehensive service business increased by 15.3% to RMB489 million, which was included in other businesses revenue of RMB644 million.
- The Group strengthened market and customer development, optimised gas source coordination and supply scheduling to ensure reliable supply, and enhanced refined operations and management. Total gas sales volume increased by 6.8% to 2,386 million m³.
- Core profit amounted to RMB285 million. It is recommended that a final dividend of RMB5.57 cents per share be paid for the year of 2025. In 2025, a cumulative dividend of RMB10.17 cents per share was declared, representing a dividend payout ratio of 35.0% of core profit.

The board (the “**Board**”) of directors (the “**Directors**”) of Tian Lun Gas Holdings Limited (the “**Company**” or “**Tian Lun Gas**”, together with its subsidiaries, collectively the “**Group**”) is pleased to announce the audited consolidated annual results of the Group for the year ended 31 December 2025 together with the audited comparative figures for the corresponding period of last year.

CHAIRMAN’S STATEMENT

Dear Shareholders,

The year 2025 was a year of profound restructuring of the global energy landscape. After experiencing multiple challenges arising from the macroeconomic environment, market conditions and industry policies, countries have elevated energy security to a strategic priority. As a clean and low-carbon transitional energy, natural gas has seen its strategic position become increasingly prominent. Domestically, 2025 was the concluding year of the 14th Five-Year Plan and a critical juncture for deepening energy structure adjustment. Despite ongoing price volatility and supply chain risks in the international natural gas market, China’s natural gas production, supply, storage and sales system achieved remarkable progress, supported by well-developed pipeline infrastructure and diversified import channels. At this stage, with the enhanced role of peak-shaving and supply assurance, natural gas has assumed a more solid supporting role in the new energy system.

In response to the still complex energy situation in 2025, Tian Lun Gas has consistently regarded ensuring safe and stable gas supply as its primary responsibility. Leveraging the interconnection advantages of the national “one network”, the Group implemented refined resource allocation, fully utilising the peak-shaving role of gas storage facilities and LNG receiving terminals, and established an efficient operation mode of “winter supply guarantee and summer gas storage”.

In terms of safety management, the Group has extensively applied technologies such as IoT and big data to implement 24-hour intelligent monitoring of stations and pipeline networks, achieving closed-loop management of risk prediction and hazard rectification. Meanwhile, it has continuously improved emergency response plans and strengthened government-enterprise collaboration to ensure rapid response and effective handling in response to extreme weather and various emergency operating scenarios. Through comprehensive accountability across the entire value chain, Tian Lun Gas has not only strengthened confidence in stable energy supply for economic and social operations, but also built a strong safety defense to ensure that people stay warm throughout the winter.

Looking back at 2025, Tian Lun Gas's business development has formed an integrated closed loop centered on three dimensions: gas sourcing, gas sales and comprehensive service business, aiming to drive the Group's transformation from a traditional gas supplier to an integrated energy service provider. On the gas sourcing side, the Company is committed to building a diversified supply structure. By strengthening strategic cooperation with the national pipeline network and the "three major oil companies" to reduce gas supply tiers, promoting regional pipeline network interconnection to enhance emergency allocation capabilities, and utilising gas storage facilities to expand LNG trading channels, the Company ensured peak-shaving supply during the heating season while reducing costs through supply optimisation. In the gas sales segment, the strategy focuses on stabilising the retail foundation. On one hand, the Group continues to deepen its penetration into the industrial and commercial stock market through "bottle-to-pipe conversion" initiatives and "one-enterprise-one-policy" customised services; on the other hand, it seizes policy opportunities to implement price linkage mechanisms to restore gross margins, thereby laying a solid foundation for full-year profit improvement. At the comprehensive service business level, the Company leverages its extensive user base to build a comprehensive service ecosystem. It promotes the standardisation of gas safety services and personalised home improvement solutions, and utilises old community renovation scenarios to drive product replacement, thereby cultivating a second major business segment. Overall, Tian Lun Gas reduces operating costs through gas sourcing, supports expansion in gas sales volume and margin recovery, and leverage its user base to create comprehensive service scenarios, ultimately achieving synergistic growth and value enhancement across all three segments.

OUTLOOK

The year 2026 marks the opening year of the 15th Five-Year Plan. China's economy is accelerating the cultivation of new quality productive forces while pursuing steady progress, and the foundation for high-quality development continues to strengthen. The energy sector is steadily advancing transformation, and natural gas still plays an important role in the new energy system construction. With the deepening of the development of the national unified market and the improvement of fair access mechanisms for oil and gas pipeline networks, natural gas consumption is expected to maintain steady growth, with peak-shaving capacity and market-oriented reform emerging as the main development themes of the industry. Various localities continue to promote renovation of aging pipeline networks and "urban renewal", leading to steady increases in urban gas penetration and gas consumption, and natural gas enterprises are accelerating their transformation from single energy suppliers to comprehensive service providers. Against this macro backdrop, deeply exploring user value through digital and intelligent solutions and expanding business boundaries through service innovation have become a key proposition for Tian Lun Gas to capture growth opportunities and achieve high-quality growth.

Looking ahead to 2026, under the dual waves of energy transition and market competition, Tian Lun Gas is committed to forging a high-quality development path with "gas sales and comprehensive service business as dual-wheel drive" as the strategic engine. As the foundation, the gas sales business is the natural interface connecting thousands of households. The extensive user base not only builds a stable cash flow moat, but also provides a substantial source of precise traffic for the comprehensive service business. Through high-frequency service touchpoints such as routine safety inspections and meter readings, the gas sales side can gain deep insights into users' needs, naturally extending service scenarios from "gas connection" to "creating a better life", thereby establishing a broad market foundation and highly valuable user feedback loop for the comprehensive service business.

Meanwhile, the comprehensive service business is no longer merely a supplement to the traditional gas business, but a strategic highland for enhancing overall competitiveness. Safety products, smart kitchens and extended home solutions developed around gas usage scenarios, on one hand, significantly enhance user stickiness and brand reputation through professional and thoughtful services; on the other hand, open up differentiated competitive pathways in the highly homogeneous gas market, creating new profit drivers and premium space for the enterprise.

The two are mutually reinforcing and symbiotic: gas sales provide scenarios and trust endorsement for comprehensive service business, enabling precise user reach and rapid iteration optimisation; comprehensive service business inject added value into gas sales, upgrading it from single energy supply to comprehensive user operations. This virtuous cycle has formed a synergistic effect that drives the enterprise to continuously improve. Under the synergistic drive of both wheels, Tian Lun Gas has not only achieved steady improvement in operating efficiency, but also built a distinctive core competitiveness, steadily sailing towards the new blue ocean of high-quality development.

Looking to the future, as a main force of clean energy, natural gas bears an important mission in the construction of the new energy system. Tian Lun Gas will seize industry development opportunities, continuously improve operation management levels, deepen technological innovation and service upgrading, fully guarantee safe and stable gas supply, and contribute clean energy strength to local economic and social development.

ACKNOWLEDGEMENT

As the years pass and new chapters unfold, Tian Lun Gas extends its highest respect to leaders at all levels, partners, and people from all walks of life who have long cared for and supported the Group's development, and expresses its sincere gratitude to all colleagues working on various fronts across the Company. The journey ahead is long, and only through hard work can we succeed; our dreams lie ahead, and only through practical action can we realise them. In the new year, may all colleagues continue to move forward hand in hand, with even greater determination and a more pragmatic work style, jointly writing a new chapter in Tian Lun Gas's high-quality development.

Xian Zhenyuan

Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Year ended 31 December	
		2025 RMB'000	2024 RMB'000
Revenue	3	7,937,480	7,780,765
Cost of sales	4	<u>(6,823,009)</u>	<u>(6,445,551)</u>
Gross profit		1,114,471	1,335,214
Distribution expenses	4	(88,929)	(83,406)
Administrative expenses	4	(276,662)	(253,422)
Net impairment losses on financial assets and contract assets		(306,944)	(62,445)
Impairment loss on goodwill		(28,344)	(43,751)
Other income	5	10,282	15,349
Other gains/(losses) — net	6	<u>20,734</u>	<u>(34,003)</u>
Operating profit		444,608	873,536
Finance income		2,757	5,764
Finance expenses		<u>(365,776)</u>	<u>(392,792)</u>
Finance expenses — net	7	<u>(363,019)</u>	<u>(387,028)</u>
Share of results of associates and a joint venture		<u>29,798</u>	<u>20,472</u>
Profit before income tax		111,387	506,980
Income tax expense	8	<u>(55,625)</u>	<u>(182,471)</u>
Profit for the year		<u>55,762</u>	<u>324,509</u>
Profit attributable to:			
— Owners of the Company		38,625	300,994
— Non-controlling interests		<u>17,137</u>	<u>23,515</u>
Profit for the year		<u>55,762</u>	<u>324,509</u>
Earnings per share			
— Basic and diluted earnings per share (RMB)	9	<u>0.04</u>	<u>0.31</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	<u>55,762</u>	<u>324,509</u>
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	<u>(6,400)</u>	<u>(5,000)</u>
Other comprehensive income for the year, net of tax	<u>(6,400)</u>	<u>(5,000)</u>
Total comprehensive income for the year	<u>49,362</u>	<u>319,509</u>
Attributable to:		
— Owners of the Company	32,225	295,994
— Non-controlling interests	<u>17,137</u>	<u>23,515</u>
	<u>49,362</u>	<u>319,509</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2025	2024
	Notes	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		3,794,963	3,830,652
Right-of-use assets		277,324	278,511
Investment properties		35,578	36,617
Intangible assets		4,567,992	4,705,766
Investments accounted for using the equity method		915,475	885,677
Financial assets at fair value through other comprehensive income		30,400	36,800
Financial assets at fair value through profit or loss		5,391	6,175
Other non-current assets		166,747	118,177
Restricted cash		4,935	—
Deferred tax assets		9,481	14,166
		<u>9,808,286</u>	<u>9,912,541</u>
Current assets			
Inventories		207,054	229,081
Contract assets		810,591	1,848,970
Trade and other receivables	10	2,941,122	2,335,716
Financial assets at fair value through other comprehensive income		20,000	14,539
Financial assets at fair value through profit or loss		233,418	250,679
Restricted cash		137,850	215,490
Cash and cash equivalents		1,238,278	1,103,037
		<u>5,588,313</u>	<u>5,997,512</u>
Total assets		<u><u>15,396,599</u></u>	<u><u>15,910,053</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

		As at 31 December	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	<i>11</i>	8,264	8,264
Treasury shares	<i>11</i>	(78,599)	(73,233)
Share premium	<i>11</i>	81,317	81,317
Reserves	<i>12</i>	1,151,780	1,057,742
Retained earnings		4,669,340	4,870,183
		5,832,102	5,944,273
Non-controlling interests		294,382	318,210
Total equity		6,126,484	6,262,483
LIABILITIES			
Non-current liabilities			
Borrowings		4,926,356	4,396,432
Lease liabilities		9,835	10,026
Deferred tax liabilities		589,731	711,079
Deferred income		30,197	35,220
Financial liabilities at fair value through profit or loss		12,370	—
		5,568,489	5,152,757
Current liabilities			
Trade and other payables	<i>13</i>	697,588	907,982
Contract liabilities		651,951	567,841
Borrowings		1,944,913	2,595,749
Lease liabilities		9,433	7,106
Dividend payables		4,710	6,253
Financial liabilities at fair value through profit or loss		16	—
Current income tax liabilities		393,015	409,882
		3,701,626	4,494,813
Total liabilities		9,270,115	9,647,570
Total equity and liabilities		15,396,599	15,910,053

1. GENERAL INFORMATION OF THE GROUP

Tian Lun Gas Holdings Limited (the “**Company**”) was incorporated on 20 May 2010 in the Cayman Islands under the Companies Law (2010 Revision) of the Cayman Islands as an exempted company with limited liability. The Company is an investment holding company and was listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 November 2010.

The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in the engineering construction service by providing residential, commercial and industrial users with gas pipeline and infrastructure laying and installation and transportation, distribution and sales of gases including natural gas and compressed natural gas (“**CNG**”) and production and sales of liquefied natural gas (“**LNG**”) in bulk and in cylinders in certain cities of the People’s Republic of China (the “**PRC**”).

The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

These consolidated financial statements have been approved for issue by the Board of Directors on 30 March 2026.

These consolidated financial statements are presented in RMB, unless otherwise stated.

2 MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2.2.1 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

2.2 Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group's interest in associates and a joint venture.

The consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss (including derivative instruments), which are carried at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2.2.1 New and amended standards adopted by the Group

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2.2.2 New standards and amendments not yet adopted by the Group

Certain new or amended standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments and HKFRS 7, Financial instruments: disclosures — Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments and HKFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far, the Group has concluded that the adoptions of them is unlikely to have a significant impact on the consolidated financial statements except for the followings:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the senior executive management team on monthly basis that are used to make strategic decisions.

The senior executive management team considers the business from a “product” perspective only, as geographically all the products are provided within the PRC, which is considered as one geographic location with similar risks and returns.

The reportable segments derive their revenue and profit primarily from sales of natural gas in cylinders, sales of natural gas in bulk and engineering construction services.

The senior executive management reviews business performance according to the types of end-users who use its products. For sales made to residential customers, industrial and commercial customers, and transportation customers is classified as sales of natural gas in cylinders; whereas for sales made to city gas enterprise customers for direct supply and wholesale purpose, and gas source trading customers is classified as sales of natural gas in bulk. The revenue from comprehensive service, rental income of investment properties and other miscellaneous income, has been reviewed by the senior executive management team, and its results are included in the “all other segments”. Business segments are classified as: sales of natural gas in cylinders, sales of natural gas in bulk, engineering construction services and other segments.

The senior executive management team assesses performance of the operating segments based on segment results which represent the profit before taxation earned by each segment without allocation of net impairment losses on financial assets and contractual assets, impairment loss on goodwill, other income, other gains — net, finance expense — net, share of results of associates and a joint venture, unallocated corporate expenses such as central administration costs and directors' salaries.

3. SEGMENT INFORMATION (Continued)

The Group does not allocate assets and liabilities to its segments, as the senior executive management team do not use these information to allocate resources to or evaluate the performance of operating segment. Therefore, the Group does not report a measure of segment assets and liabilities for each reportable segment.

The segment information provided to the senior executive management team for the reportable segments for the year ended 31 December 2025 is as follows:

	Sales of natural gas in cylinders <i>RMB'000</i>	Sales of natural gas in bulk <i>RMB'000</i>	Engineering construction services <i>RMB'000</i>	All other segments <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Total revenue	<u>4,970,509</u>	<u>1,842,268</u>	<u>480,688</u>	<u>1,223,103</u>	<u>(579,088)</u>	<u>—</u>	<u>7,937,480</u>
Inter-segment revenue	—	—	—	579,088	(579,088)	—	—
External revenue	<u>4,970,509</u>	<u>1,842,268</u>	<u>480,688</u>	<u>644,015</u>	<u>—</u>	<u>—</u>	<u>7,937,480</u>
Timing of revenue recognition							
At a point in time	<u>4,970,509</u>	<u>1,842,268</u>	<u>—</u>	<u>412,694</u>	<u>—</u>	<u>—</u>	<u>7,225,471</u>
Over time	<u>—</u>	<u>—</u>	<u>480,688</u>	<u>231,321</u>	<u>—</u>	<u>—</u>	<u>712,009</u>
Segment profit	<u>336,011</u>	<u>39,948</u>	<u>203,383</u>	<u>226,222</u>	<u>—</u>	<u>—</u>	<u>805,564</u>
Unallocated expenses						(56,684)	(56,684)
Net impairment losses on financial assets and contract assets						(306,944)	(306,944)
Impairment loss on goodwill						(28,344)	(28,344)
Other income						10,282	10,282
Other gains — net						<u>20,734</u>	<u>20,734</u>
Operating profit							<u>444,608</u>
Finance expenses — net						(363,019)	(363,019)
Share of results of associates and a joint venture						<u>29,798</u>	<u>29,798</u>
Profit before income tax							<u>111,387</u>
Income tax expense						<u>(55,625)</u>	<u>(55,625)</u>
Profit for the year							<u><u>55,762</u></u>

3. SEGMENT INFORMATION (Continued)

The segment information provided to the senior executive management team for the reportable segments for the year ended 31 December 2024, is as follows:

	Sales of natural gas in cylinders <i>RMB'000</i>	Sales of natural gas in bulk <i>RMB'000</i>	Engineering construction services <i>RMB'000</i>	All other segments <i>RMB'000</i>	Inter-segment elimination <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Total revenue	<u>5,042,353</u>	<u>1,471,427</u>	<u>784,240</u>	<u>938,916</u>	<u>(456,171)</u>	<u>—</u>	<u>7,780,765</u>
Inter-segment revenue	—	—	—	456,171	(456,171)	—	—
External revenue	<u>5,042,353</u>	<u>1,471,427</u>	<u>784,240</u>	<u>482,745</u>	<u>—</u>	<u>—</u>	<u>7,780,765</u>
Timing of revenue recognition							
At a point in time	5,042,353	1,471,427	—	357,603	—	—	6,871,383
Over time	<u>—</u>	<u>—</u>	<u>784,240</u>	<u>125,142</u>	<u>—</u>	<u>—</u>	<u>909,382</u>
Segment profit	<u>384,705</u>	<u>57,487</u>	<u>425,135</u>	<u>181,962</u>	<u>—</u>	<u>—</u>	<u>1,049,289</u>
Unallocated expenses						(50,903)	(50,903)
Net impairment losses on financial assets and contract assets						(62,445)	(62,445)
Impairment loss on goodwill						(43,751)	(43,751)
Other income						15,349	15,349
Other losses — net						<u>(34,003)</u>	<u>(34,003)</u>
Operating profit							<u>873,536</u>
Finance expenses — net						(387,028)	(387,028)
Share of results of associates and a joint venture						<u>20,472</u>	<u>20,472</u>
Profit before income tax							<u>506,980</u>
Income tax expense						<u>(182,471)</u>	<u>(182,471)</u>
Profit for the year							<u><u>324,509</u></u>

The principal subsidiaries of the Company are domiciled in the PRC. All the revenue from external customers are derived from the PRC, and all the non-current assets are located in the PRC.

4. EXPENSES BY NATURE

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials and consumables used	6,015,608	5,736,280
Depreciation on property, plant and equipment	231,554	221,463
Depreciation on investment properties	3,164	1,706
Amortisation of intangible assets	126,008	128,915
Employee benefit expenses	306,367	296,762
Depreciation of right-of-use assets	20,137	17,092
Engagement of construction and design services	258,519	184,583
Office and travelling expenses	73,728	68,085
Maintenance costs	62,687	56,354
Energy consumption	29,865	31,699
Taxes	24,372	21,802
Auditors' remuneration		
— Audit services	3,500	3,100
Advertising expenses	3,500	2,561
Licensing fee for the exclusive operating rights for city pipeline network	1,100	1,100
Miscellaneous	28,491	10,877
	<hr/>	<hr/>
Total cost of sales, distribution expenses and administrative expenses	<u>7,188,600</u>	<u>6,782,379</u>

5. OTHER INCOME

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants in relation to		
— Tax refund	1,767	1,431
— Subsidies for local investment rewards and other incentives	8,515	13,918
	<hr/>	<hr/>
	<u>10,282</u>	<u>15,349</u>

6. OTHER GAINS/(LOSSES) — NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Gains on disposal of property, plant and equipment	6,711	26,311
Penalty and overdue fines	(1,483)	(3,419)
Written back of contingent consideration	5,704	—
Net foreign exchange gains/(losses)	17,030	(49,102)
Losses on financial assets and financial liabilities at fair value through profit or loss	(18,396)	(17,453)
Others	11,168	9,660
	<u>20,734</u>	<u>(34,003)</u>

7. FINANCE EXPENSES — NET

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Finance income		
— Interest income from bank deposits and bank financial products	<u>(2,757)</u>	<u>(5,764)</u>
Finance expenses		
— Interest expense on borrowings	374,045	402,987
— Leasing liabilities	910	895
— Others	7,249	8,007
Less: amounts capitalised on qualifying assets	<u>(16,428)</u>	<u>(19,097)</u>
	<u>365,776</u>	<u>392,792</u>
	<u>363,019</u>	<u>387,028</u>

8. INCOME TAX EXPENSE

- (a) The Company is not subject to profits tax in its country of incorporation.
- (b) Hong Kong profits tax

For the years ended 31 December 2025 and 31 December 2024, there are no Hong Kong profits tax applicable (tax rate 16.5%) to any Group entities.

- (c) PRC corporate income tax (the “**PRC CIT**”)

All the Company’s subsidiaries incorporated in the PRC are subject to the PRC CIT, which has been provided based on the statutory income tax rate of the assessable income of each of such companies during the years ended 31 December 2025 and 31 December 2024, as determined in accordance with the relevant PRC income tax rules and regulations. The CIT rate of the relevant subsidiaries operating in the PRC is 25% (2024: 25%), except for certain group entities which are entitled to various tax rates or tax exemptions and reliefs.

The amount of income tax expense charged to profit or loss represents:

	Year ended 31 December	
	2025	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Current tax on profits for the year	172,288	213,426
Deferred tax	(116,663)	(30,955)
	<u>55,625</u>	<u>182,471</u>

9. EARNINGS PER SHARE

- (a) Basic earnings per share (“EPS”) is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2025	2024
Profit attributable to owners of the Company (<i>RMB'000</i>)	<u>38,625</u>	<u>300,994</u>
Weighted average number of shares in issue (<i>thousands</i>)	<u>969,054</u>	<u>969,066</u>
Basic earnings per share (<i>RMB per share</i>)	<u>0.04</u>	<u>0.31</u>

- (b) The diluted earnings per share was the same as the basic earnings per share as there was no potential dilutive share issued during the years ended 31 December 2024 and 2025.

10. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables — gross (a)	529,806	611,042
Receivables due from related parties (a)	2,379,068	1,363,511
Less: provision for impairment	(520,331)	(232,019)
Notes receivable	12,557	13,239
Other receivables	122,231	99,566
Less: provision for impairment	(6,997)	(302)
Value-added-tax to be offset and prepaid income tax	9,861	22,335
	2,526,195	1,877,372
Prepayments	414,927	458,344
	2,941,122	2,335,716

- (a) The credit period generally granted to customers in relation to sales of pipelined gases is up to two months. As for the customers in relation to engineering construction service, the Group generally requests advance payments, and in circumstances of credit sales, management closely monitors the credit quality of the customers, and credit period was granted case by case with maximum of two years. The following is an ageing analysis of trade receivables and receivables due from related parties in trade nature amounting to RMB2,363,221,000 (2024: RMB1,349,914,000), presented based on billing date at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Less than one year	1,405,059	884,925
1 year to 2 years	465,537	910,406
2 years to 3 years	906,107	136,686
Over 3 years	116,324	28,939
	2,893,027	1,960,956

11. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

(a) Share capital and share premium

	Number of shares <i>(thousands)</i>	Ordinary shares <i>RMB'000</i>	Share premium <i>RMB'000</i>	Total <i>RMB'000</i>
Issued and fully paid:				
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>981,885</u>	<u>8,264</u>	<u>81,317</u>	<u>89,581</u>

The total authorised number of ordinary shares is 2,000,000,000 shares (2024: 2,000,000,000 shares) with a par value of HKD0.01 per share (2024: HKD0.01 per share).

(b) Treasury shares

	Number of shares <i>(thousands)</i>	Amounts <i>RMB'000</i>
At 1 January 2024 and 1 January 2025	12,819	73,233
Repurchase of shares	<u>1,809</u>	<u>5,366</u>
At 31 December 2025	<u>14,628</u>	<u>78,599</u>

12. RESERVES

	Capital reserves	Statutory reserves	Financial assets at fair value through other comprehensive income	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	(90,620)	1,070,068	(278)	979,170
Revaluation-gross	—	—	(5,000)	(5,000)
Appropriation	—	83,572	—	83,572
At 31 December 2024	<u>(90,620)</u>	<u>1,153,640</u>	<u>(5,278)</u>	<u>1,057,742</u>
At 1 January 2025	(90,620)	1,153,640	(5,278)	1,057,742
Revaluation-gross	—	—	(6,400)	(6,400)
Appropriation	—	100,438	—	100,438
At 31 December 2025	<u>(90,620)</u>	<u>1,254,078</u>	<u>(11,678)</u>	<u>1,151,780</u>

13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (a)	321,234	370,077
Notes payable	25,000	204,846
Amounts due to related parties	9,281	8,906
Accrued payroll and welfare	6,524	7,651
Interest payables	13,189	16,329
Other taxes payables	226,453	215,979
Contingent consideration payables	2,000	7,704
Other payables	93,907	76,490
	<u>697,588</u>	<u>907,982</u>

13. TRADE AND OTHER PAYABLES (Continued)

- (a) At 31 December 2025 and 31 December 2024, the ageing analysis of the trade payables, based on billing date was as follows:

	As at 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Less than 1 year	251,230	320,882
1 year to 2 years	40,114	23,667
2 years to 3 years	11,627	8,332
Over 3 years	18,263	17,196
	<u>321,234</u>	<u>370,077</u>

14. DIVIDENDS

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend for the year ended 31 December 2024 of RMB9.79 cents per share (2023: RMB10.82 cents per share) distributed to ordinary shares	94,838	105,044
Interim dividend for the year ended 31 December 2025 of RMB4.60 cents per share (2024: RMB4.79 cents per share) distributed to ordinary shares	44,167	46,350
	<u>139,005</u>	<u>151,394</u>

On 30 March 2026, the board of directors of the Company proposed to distribute total final dividend of approximately RMB54,319,000 (RMB5.57 cents per share) for the year ended 31 December 2025 (2024: RMB9.79 cents per share, approximately RMB96,127,000). This proposed dividend is not reflected as a dividend payable in the consolidated financial statements.

BUSINESS REVIEW

The main businesses of the Group include provision of gas pipeline construction and infrastructure laying and installation for residential, commercial and industrial users, as well as transportation, distribution and sales of gases including natural gas and CNG and production and sales of LNG in bulk and in cylinders.

The key results and operating information of the Group for the year ended 31 December 2025 as compared to the corresponding period of the previous year are as follows:

	For the year ended 31 December		
	2025	2024	Change by
Newly added pipeline gas users:	151,210	258,293	(41.5)%
— Urban gas residential users (households)	147,268	253,306	(41.9)%
— Industrial and commercial users (households)	3,942	4,987	(21.0)%
Total pipeline gas users:	5,989,003	5,837,793	2.6%
— Urban gas residential users (households)	3,974,035	3,826,767	3.8%
— Township residential users (households)	1,959,209	1,959,209	0%
— Industrial and commercial users (households)	55,759	51,817	7.6%
Natural gas sales volume (in ten thousand m ³):	238,626	223,501	6.8%
— Sales volume of retail business of natural gas (in ten thousand m ³)	170,417	171,919	(0.9)%
— Natural gas sales volume to residential users (in ten thousand m ³)	57,686	55,692	3.6%
— Natural gas sales volume to industrial and commercial users (in ten thousand m ³)	107,050	107,943	(0.8)%
— Natural gas sales volume to transportation users (in ten thousand m ³)	5,681	8,285	(31.4)%
— Sales volume of wholesale business of natural gas (in ten thousand m ³)	68,209	51,582	32.2%
Long-haul pipeline gas transmission volume (in ten thousand m ³)	70,811	70,870	(0.1)%
Total length of medium and high-pressure pipelines (kilometre)	9,635	9,507	1.3%

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group's revenue was RMB7,937 million, representing a slight increase of 2.0% compared with the corresponding period of last year. Among them, gas retail business revenue was RMB4,971 million, a decrease of 1.4% compared with the corresponding period of last year; gas wholesale business revenue was RMB1,842 million, an increase of 25.2% compared with the corresponding period of last year; engineering construction and service revenue was RMB481 million, a decrease of 38.7% compared with the corresponding period of last year; other revenue was RMB644 million, an increase of 33.4% compared with the corresponding period of last year. The Group's revenue is mainly derived from natural gas retail business, natural gas wholesale business, engineering construction and service business and other business, which accounted for 62.6%, 23.2%, 6.1% and 8.1% (the corresponding period of last year: 64.8%, 18.9%, 10.1% and 6.2%), respectively, of total revenue for the year ended 31 December 2025.

Revenue from Gas Retail Business

For the year ended 31 December 2025, the Group's revenue from gas retail business was RMB4,971 million, a decrease of 1.4% compared with RMB5,042 million for the corresponding period of last year.

Revenue from Gas Wholesale Business

For the year ended 31 December 2025, the Group's revenue from gas wholesale business was RMB1,842 million, an increase of 25.2% compared with RMB1,471 million for the corresponding period of last year.

Revenue from Engineering Construction Services

For the year ended 31 December 2025, affected by the downturn in the real estate industry, revenue from engineering construction and services was RMB481 million, a decrease of 38.7% compared with RMB784 million for the corresponding period of last year.

Revenue from Other Businesses

Other revenue is mainly derived from comprehensive service business. During the reporting period, the Group continued to enhance the growth capability of traditional comprehensive service business. By promoting personalised decoration services, increasing user coverage rate through diversified methods, the Group further enhanced user stickiness and conversion rate, generating other business revenue of RMB644 million. Among them, comprehensive service business revenue was RMB489 million, an increase of 15.3% compared with RMB424 million for the corresponding period of last year.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2025, the Group achieved a gross profit of RMB1,114 million. The Group's overall gross profit margin was 14.0%.

Finance Expenses — Net

For the year ended 31 December 2025, the Group's finance expenses — net were RMB363 million, a decrease of RMB24 million compared with the corresponding period of last year.

Net Profit and Core Profit

For the year ended 31 December 2025, the Group recorded a net profit of RMB56 million. After excluding other gains — net and impairment losses, the adjusted core profit amounted to RMB285 million.

FINANCIAL POSITION

The Group has been adopting prudent policies in respect of financial resources management, including maintaining an appropriate level of cash and cash equivalents as well as sufficient credit limits, in order to cope with the needs of daily operation and business development and control the borrowing at a healthy level.

For the year ended 31 December 2025, the Group incurred capital expenditure of RMB247 million for enhancing the continuing urban gas business. The required funds were financed by the Group's operating cash flow and bank borrowings.

As at 31 December 2025, the Group held cash and cash equivalents totalling RMB1,238 million (of which 98.4% was denominated in RMB, 1.5% in Hong Kong dollars and 0.1% in US dollars) to safeguard the Group's project expansion and acquisition business funding needs.

As at 31 December 2025, the Group's total borrowings were RMB6,871 million (of which RMB borrowings were RMB6,100 million, US dollar borrowings were RMB132 million, and Hong Kong dollar borrowings were RMB639 million), with 71.7% of borrowings classified as non-current liabilities and 28.3% classified as current liabilities. As at 31 December 2025, the asset-liability ratio calculated as total liabilities as a percentage of total assets was 60.2%.

FINANCE COST AND EXCHANGE RISK MANAGEMENT

For the year ended 31 December 2025, the Group's interest expense on borrowings were RMB374 million, a decrease of 7.2% compared with the corresponding period of last year.

For the year ended 31 December 2025, the Group's foreign currency borrowings were RMB771 million, with the proportion of total borrowings further decreasing to 11.2%. The Group will continue to monitor changes in the exchange rate market, reduce the Group's financing costs through diversified arrangements, and take appropriate hedging measures when necessary to reduce the Group's foreign exchange risk.

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

For the year ended 31 December 2025, the Company purchased certain of its shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Details of such share repurchases for the year ended 31 December 2025 are summarised as follows:

Month	Number of Shares Purchased	Price Per Share Purchased		Total Amount Paid HK\$
		Highest HK\$	Lowest HK\$	
December 2025	1,808,500	3.37	3.08	5,932,516.99

A total of 1,808,500 shares repurchased in December 2025 were cancelled in March 2026.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities.

Dividend

Pursuant to the board resolution dated 30 March 2026, the Board recommended the payment of a final dividend ("**Final Dividend**") of RMB5.57 cents per share for the year ended 31 December 2025. Together with an interim dividend of RMB4.60 cents per share which had been paid, total dividend declared for the year ended 31 December 2025 amounted to RMB10.17 cents per share.

The Final Dividend will be paid in Hong Kong dollars on or around 12 June 2026 (Friday) to shareholders whose names appear on the register of members of the Company on 28 May 2026 (Thursday), subject to the approval of the Final Dividend by shareholders at the forthcoming annual general meeting. Further announcement will be made by the Company in relation to the exact amount of the Final Dividend in Hong Kong dollars when the conversion rate for Renminbi to Hong Kong dollars to be adopted has been determined by the Board.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the shareholders' entitlement to the proposed Final Dividend, the register of members of the Company will be closed from 22 May 2026 (Friday) to 28 May 2026 (Thursday) (both days inclusive).

In order to be eligible to receive the proposed Final Dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Group's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 21 May 2026 (Thursday).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the code of conduct regarding securities transactions by the Directors. Upon specific enquiries made to all the Directors, each of them confirmed that they have strictly complied with the required standards set out in the Model Code for the year ended 31 December 2025.

CORPORATE GOVERNANCE CODE

The Company has adopted and has complied with all code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules for the period from 1 January 2025 to 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

- (i) The principal place of business of the Company in Hong Kong has been changed to 20/F, 163 QRE, 163 Queen's Road East, Wanchai, Hong Kong with effect from 5 March 2026.
- (ii) The Company repurchased 1,808,500 ordinary shares on the Stock Exchange in December 2025 and 4,880,000 ordinary shares on the Stock Exchange during January to February 2026. These repurchased shares were paid out of the Company's retained profits. All these repurchased shares have been subsequently cancelled on 26 March 2026.

Save as disclosed above, there have been no other significant events since the end of the reporting period and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee (the “**Audit Committee**”) of the Company consists of three independent non-executive Directors, namely, Mr. Li Liuqing (chairman of the Audit Committee), Mr. Lei Chunyong and Ms. Zhou Lin. The Audit Committee had reviewed and discussed the annual consolidated results and consolidated financial statements of the Group for the year ended 31 December 2025.

SCOPE OF WORK OF KPMG

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the announcement of annual results of the Group for the year ended 31 December 2025 have been agreed by the Group’s auditor, KPMG, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

ANNUAL REPORT

The Company’s annual report for the year ended 31 December 2025 will be published on the website of Hong Kong Exchange and Clearing Limited (www.hkexnews.hk) and the Company’s website (www.tianlungas.com), and copies of the annual report will be despatched to the shareholders of the Company in due course.

By order of the Board
Tian Lun Gas Holdings Limited
Xian Zhenyuan
Chairman

Zhengzhou, the PRC, 30 March 2026

As at the date of this announcement, the executive Directors are Mr. Xian Zhenyuan (Chairman and Chief Executive), Ms. Li Tao, Mr. Xiao Hui and Ms. Zhang Baixuan; the non-executive Directors are Ms. Chen Hong and Mr. Zhang Daoyuan; and the independent non-executive Directors are Mr. Li Liuqing, Mr. Lei Chunyong, Ms. Zhou Lin, and Ms. Tao Xiaohui.