CHINESE PEOPLE HOLDINGS COMPANY LIMITED
中 民 控 股 有 限 公 司
(incorporated in Bermuda with limited liability) (stock code: 00681)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

Revenue for the Period decreased approximately by 7.17% to approximately RMB1,140 million (2025: RMB1,228 million) which was mainly attributable to decrease in revenue of gas distribution business.

Profit for the Period amounted to approximately RMB67.02 million (2025: RMB77.50 million), a decrease of approximately RMB10.48 million as compared to the corresponding period in 2025 mainly due to decrease of share of results of associates.

Basic earnings per share for the Period was RMB0.58 cents (2025: RMB0.72 cents).

The Board does not recommend the payment of an interim dividend for the Period (2025: nil).

The board (the "**Board**") of directors (the "**Director(s)**") of Chinese People Holdings Company Limited (the "**Company**") is hereby to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026 (the "**Period**" or the "**Reporting Period**"), together with the unaudited comparative figures for the six months ended 30 June 2025. These interim results have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		(Unaudited)	
		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**1,140,104**	1,228,089
Cost of sales and services		**(1,006,179)**	(1,078,625)
Gross profit		**133,925**	149,464
Other gains and losses	*4*	**(233)**	(6,307)
Other income	*5*	**20,303**	15,157
Finance costs	*6*	**(874)**	(1,620)
Selling and distribution expenses		**(61,250)**	(67,100)
Administrative expenses		**(54,017)**	(52,755)
Share of results of associates		**6,626**	16,950
Share of results of joint ventures		**29,779**	34,395
Profit before tax	*7*	**74,259**	88,184
Income tax expense	*8*	**(7,235)**	(10,689)
Profit for the period		**67,024**	77,495
Other comprehensive income (expense) for the period			
Item that will not reclassified subsequently to profit or loss			
– Fair value change on equity instruments at fair value through other comprehensive expense ("**FVTOCI**"), net of tax		**1,471**	(1,235)
Total comprehensive income for the period		**68,495**	76,260

	Notes	(Unaudited) Six months ended 30 June **2026** ***RMB'000***	2025 *RMB'000*
Profit for the period attributable to:			
Owners of the Company		**51,579**	64,190
Non-controlling interests		**15,445**	13,305
		67,024	77,495
Total comprehensive income attributable to:			
Owners of the Company		**52,640**	62,757
Non-controlling interests		**15,855**	13,503
		68,495	76,260
Earnings per share	*10*	***RMB***	*RMB*
– basic		**0.58 cents**	0.72 cents
– diluted		**n/a**	n/a

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30 June 2026 (Unaudited) *RMB'000*	At 31 December 2025 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**736,191**	733,611
Investment properties		**86,251**	88,750
Right-of-use assets		**64,508**	67,006
Intangible assets		**10,942**	11,438
Interests in associates		**126,362**	119,736
Interests in joint ventures		**889,632**	857,853
Deferred tax assets		**22,988**	20,771
Equity instruments at FVTOCI		**81,769**	89,560
Long-term deposits		**30,701**	22,292
		2,049,344	2,011,017
Current assets			
Inventories		**52,470**	36,995
Trade, bills and other receivables and prepayments	*11*	**209,049**	163,443
Contract assets		**15,120**	20,137
Bank deposits		**151,000**	111,559
Bank balances and cash		**678,365**	790,624
		1,106,004	1,122,758
Current liabilities			
Trade and other payables	*12*	**233,052**	242,961
Contract liabilities		**239,320**	246,802
Tax liabilities		**2,573**	7,538
Lease liabilities		**2,008**	3,530
Bank borrowings – due within one year		**34,760**	24,860
		511,713	525,691
Net current assets		**594,291**	597,067
Total assets less current liabilities		**2,643,635**	2,608,084

	At **30 June** **2026** **(Unaudited)** ***RMB'000***	At 31 December 2025 (Audited) *RMB'000*
Capital and reserves		
Share capital	**564,507**	564,507
Reserves	**1,811,605**	1,761,277
Equity attributable to owners of the Company	**2,376,112**	2,325,784
Non-controlling interests	**211,939**	229,551
Total equity	**2,588,051**	2,555,335
Non-current liabilities		
Bank borrowings – due after one year	**32,650**	32,100
Lease liabilities	**9,532**	8,970
Deferred tax liabilities	**13,402**	11,679
	55,584	52,749
	2,643,635	2,608,084

NOTES:

1. GENERAL INFORMATION

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

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

The Company acts as an investment holding company. The Group is principally engaged in (i) piped gas transmission and distribution, including the provision of piped gas, construction of gas pipelines and the operation of city gas pipeline network, (ii) cylinder gas supply, (iii) distribution of gas and (iv) the other business.

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

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

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

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

Other than changes in accounting policies resulting from adoption of revised Hong Kong Financial Reporting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements are the same as those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2025.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2025 consolidated financial statements for the year ended 31 December 2025.

Adoption of revised Hong Kong Financial Reporting Standards

In the Period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2026 for the preparation of the unaudited condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

3. SEGMENT INFORMATION

Operating segments

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

The Group has been organising its operations into four operating divisions, which also represent the operating segments of the Group for financial reporting purposes, namely (i) piped gas transmission and distribution; (ii) cylinder gas supply; (iii) gas distribution and (iv) other business. They represent four major lines of businesses engaged by the Group. The Group has identified three reportable segments: (i) piped gas transmission and distribution, (ii) cylinder gas supply and (iii) gas distribution. The specific products of each segment are as follows:

(i) Piped gas transmission and distribution – sales of piped gas and construction of gas pipeline networks under gas contracts.

(ii) Cylinder gas supply – sales and distribution of gas using tank containers to end-user households, industrial and commercial customers.

(iii) Gas distribution – sales of natural gas to industrial and commercial customers.

(iv) Other business – the food ingredients supply and FMCG business is considered as other business of the Group, due to the business is managed and operated by the third parties and the Group is being paid usage fee on a regularly basis.

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

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

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

There were no inter-segment sales in the Period (2025: nil).

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

For the six months ended 30 June 2026 (Unaudited)

	Piped gas transmission and distribution *RMB'000*	**Cylinder gas supply** *RMB'000*	**Gas distribution** *RMB'000*	**Other business** *RMB'000*	**Total** *RMB'000*
Segment revenue from external customers	**556,723**	**261,443**	**320,173**	**1,765**	**1,140,104**
Segment profit (loss)	**29,616**	**12,588**	**(134)**	**287**	**42,357**
Unallocated income					**3,779**
Central administration costs					**(7,408)**
Share of results of associates					**6,626**
Share of results of joint ventures					**29,779**
Finance costs					**(874)**
Profit before tax					**74,259**
Other segment information					
Amounts included in the measure of segment results:					
Depreciation and amortisation	**21,031**	**8,382**	**453**	**244**	**30,110**
Unallocated depreciation and amortisation					**1,287**
Total					**31,397**
Loss (Gain) on disposal of property, plant and equipment	**60**	**(243)**	**46**	**–**	**(137)**
Amounts regularly provided to the CODM but not included in the measure of segment results:					
Interests in associates					**126,362**
Interests in joint ventures					**889,632**

For the six months ended 30 June 2025 (Unaudited)

	Piped gas transmission and distribution *RMB'000*	Cylinder gas supply *RMB'000*	Gas distribution *RMB'000*	Food ingredients supply and FMCG *RMB'000*	Total *RMB'000*
Segment revenue from external customers	582,950	270,033	373,777	1,329	1,228,089
Segment profit (loss)	38,513	5,025	1,453	(622)	44,369
Unallocated income					1,041
Central administration costs					(7,273)
Share of results of associates					16,950
Share of results of joint ventures					34,395
Finance costs					(1,620)
Gain on disposal of subsidiaries					322
Profit before tax					88,184
Other segment information					
Amounts included in the measure of segment results:					
Depreciation and amortisation	16,939	7,172	452	354	24,917
Unallocated depreciation and amortisation					2,475
Total					27,392
(Gain) loss on disposal of property, plant and equipment	–	38	–	404	442
Amounts regularly provided to the CODM but not included in the measure of segment results:					
Interests in associates					113,732
Interests in joint ventures					1,114,138

The Group's revenue from contracts with customers has been disaggregated as (i) revenue is recognised at a point of time: piped gas transmission and distribution (without gas connection), cylinder gas supply, gas distribution and other business of approximately RMB1,115,990,000 (2025: RMB1,199,616,000) and (ii) revenue is recognised over the time: gas connection of approximately RMB24,114,000 (2025: RMB28,473,000) for the Period.

Geographical information

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

Information about major customers

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

4. OTHER GAINS AND LOSSES

	(Unaudited) Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Gain (loss) on disposal of property, plant and equipment	**137**	(442)
Net foreign exchange loss	**(1,043)**	(3,287)
Gain on disposal of subsidiaries	**–**	322
Gain on disposal of financial assets at fair value through profit or loss	**–**	94
Impairment loss under the expected credit loss model, net of reversal	**673**	(2,994)
	(233)	(6,307)

5. OTHER INCOME

	(Unaudited) Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Bank interest income	**3,536**	1,041
Government grant	**61**	33
Rental income, net	**2,256**	1,506
Repair and maintenance services income	**1,380**	2
Sales of gas appliance and materials, net	**7,653**	6,620
Others	**5,417**	5,955
	20,303	15,157

6. FINANCE COSTS

	(Unaudited) Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on bank borrowings	**506**	1,538
Interest on lease liabilities	**368**	82
	874	1,620

7. PROFIT BEFORE TAX

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

	(Unaudited) Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Staff costs including Directors' emoluments:		
Directors' emoluments	**2,512**	2,392
Salaries, allowance and benefits in kind	**74,082**	73,982
Retirement benefits scheme contribution	**12,614**	11,426
	89,208	87,800
Cost of inventories recognised as expenses	**991,914**	1,061,697
Depreciation of property, plant and equipment	**26,278**	22,186
Depreciation of right-to-use assets	**2,124**	2,515
Depreciation of investment properties	**2,499**	2,076
Amortisation of intangible assets (included in administrative expense)	**496**	615
Contract cost recognised as expense in respect of gas connection construction contracts	**14,265**	16,928

8. INCOME TAX EXPENSE

	(Unaudited) Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
PRC Enterprise Income Tax ("**EIT**"):		
– current tax	**8,244**	11,148
– under provision in previous periods	**(516)**	(295)
Deferred taxation	**(493)**	(164)
	7,235	10,689

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

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

The EIT rates applicable for the Group's PRC subsidiaries ranged from 15% to 25% (2025: 15% to 25%).

"Following the Catalogue of Encouraged Industries in Western Region" which was promulgated by the National Development and Reform Commission of the PRC in 2020, certain subsidiaries which are operating in the Western China region are granted a concessionary tax rate of 15% by the local tax bureau. The validity period of this tax policy is from 1 January 2021 to 31 December 2030.

Income tax credit for small-scaled minimal profit enterprise

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

* *For identification purpose only*

9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2026 (2025: nil), nor has any dividend has been proposed since the end of the Reporting Period.

10. EARNINGS PER SHARE

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

	(Unaudited) Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Earnings		
Profit for the period attributable to the owners of the Company and for the purpose of basic earnings per share	**51,579**	64,190

	Six months ended 30 June	
	2026	2025
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**8,934,561,203**	8,934,561,203

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

11. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

	(Unaudited) At 30 June 2026	(Audited) At 31 December 2025
	RMB'000	*RMB'000*
Trade receivables (net of allowance for credit loss)	**60,609**	41,724
Bill receivables	**1,683**	1,767
Other receivables, deposits and prepayments	**146,757**	119,952
	209,049	163,443

The Group has a policy of allowing a credit period ranging from 0 to 180 days (2025: 0 to 180 days) to its customers. Longer credit period is also allowed on a case-by-case basis. The following is an aged analysis of trade and bill receivables presented on the invoice date, which approximated the revenue recognition date, at the end of the Reporting Period:

	(Unaudited) At 30 June 2026 *RMB'000*	(Audited) At 31 December 2025 *RMB'000*
Trade receivables (net of allowance for credit loss)		
0 to 90 days	**52,631**	32,181
91 to 180 days	**4,725**	4,528
Over 180 days	**3,253**	5,015
	60,609	41,724
Bill receivables		
0 to 90 days	**719**	1,046
91 to 180 days	**964**	721
Over 180 days	**–**	–
	1,683	1,767
Deposits paid for purchase of natural gas; cylinder gas; merchandise and construction materials	**54,613**	66,137
Rental and utilities deposits and prepayments	**15,065**	8,403
Other tax recoverable	**13,228**	6,604
Amounts due from non-controlling interest of subsidiaries	**22,009**	17,828
Dividend receivable from associates	**16,816**	16,181
Other receivables and deposits	**60,192**	41,552
	181,923	156,705
Less: Allowance for credit losses	**(35,166)**	(36,753)
	146,757	119,952
Total trade, bills and other receivables and prepayments	**209,049**	163,443

12. TRADE AND OTHER PAYABLES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs with the average credit period on purchases of goods is 90 days (2025: 90 days). The following is an aged analysis of trade payables presented based on the invoice date at the end of the Reporting Period:

	(Unaudited) At 30 June 2026 *RMB'000*	(Audited) At 31 December 2025 *RMB'000*
0 to 90 days	**38,684**	61,566
91 to 180 days	**16,206**	12,651
Over 180 days	**28,127**	25,036
Trade payables	**83,017**	99,253
Bills payable	**–**	2,263
Other tax payable	**16,301**	32,625
Wages and staff benefits	**18,128**	20,583
Amounts due to non-controlling interests of subsidiaries	**20,700**	14,000
Accrued charges and other payables	**94,906**	74,237
Total trade and other payables	**233,052**	242,961

13. CAPITAL COMMITMENTS

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

	(Unaudited) At 30 June 2026 *RMB'000*	(Audited) At 31 December 2025 *RMB'000*
Business combination	**–**	15,040
Purchase of:		
Property, plant and equipment	**10,690**	10,207
Right-of-use assets	**5,644**	6,947
	16,334	32,194

14. CONTINGENT LIABILITIES

As at 30 June 2026, the Group has no significant contingent liability.

BUSINESS REVIEW

In the first half of 2026, China's energy is supplied in a stable and orderly manner, with oil and gas output reaching a record high for the same period. China's natural gas industry is well positioned for promising development prospect.

In the first half of 2026, the consumption of domestic natural gas was approximately 435.0 billion m^3, representing a year-on-year decrease of approximately 1.00%; the natural gas production was approximately 133.0 billion m^3, representing a year-on-year increase of approximately 1.60%; the imported natural gas was approximately 573.8 billion m^3, representing a year-on-year decrease of approximately 3.5%, of which the piped gas was approximately 40.6 billion m^3, and liquefied natural gas was approximately 39.7 billion m^3.

As of the Reporting Period, the revenue of the Group amounted to approximately RMB1,140 million (2025: RMB1,228 million), representing a decrease of approximately 7.17% as compared with the corresponding period of last year, while profit of the Group for the Period was approximately RMB67.02 million (2025: RMB77.50 million), representing a decrease of approximately 13.52% as compared with the corresponding period of last year. Basic earnings per share of the Company was RMB0.58 cents (2025: RMB0.72 cents). The gross profit margin of the Group was approximately 11.75% (2025: 12.17%), representing a decrease of approximately 0.42 points as compared with the corresponding period of last year. The gross profit margin was largely in line with the corresponding period of last year.

Piped Gas Transmission and Distribution Business

Piped gas transmission and distribution business is one of our main businesses and major source of income of the Group. For the Period, revenue of approximately RMB556,723,000 was recorded from our piped gas transmission and distribution business, representing a decrease of approximately RMB26,227,000 or 4.50% as compared with the corresponding period of last year, which accounted for approximately 48.83% (2025: 47.47%) of our total revenue. The gross profit margin of piped gas transmission and distribution business for the Period was approximately 11.41% (2025: 11.95%). The decrease in gross profit margin of piped gas transmission and distribution business was mainly due to the decrease in the gross profit margin of piped gas connection.

– ***Piped Gas Connection***

During the Period, revenue from piped gas connection was approximately RMB24,114,000, representing a decrease of approximately RMB4,359,000 or 15.31% as compared with the corresponding period of last year, which represented approximately 4.33% (2025: 4.88%) of the total revenue of the piped gas transmission and distribution business. During the Period, there was an addition of 6,053 units of connected residential household customers and 223 units of connected commercial and industrial ("C/I") customers, respectively. As of 30 June 2026, the accumulated number of connected residential household customers was 611,325 units; and the accumulated number of connected C/I customers was 13,998 units, representing an increase of approximately 2.68% and 3.97%, respectively as compared with the corresponding period of last year.

– ***Piped Gas Sales***

During the Period, revenue from piped gas sales was approximately RMB532,609,000, representing a decrease of approximately RMB21,868,000 or 3.94% as compared with the corresponding period of last year. The decrease in revenue was mainly due to the decrease in sales volume to C/I customers. Revenue from piped gas sales accounted for approximately 95.67% (2025: 95.12%) of the total revenue from the piped gas transmission and distribution business. Our piped gas sales achieved approximately 210.70 million m^3 (2025: 213.56 million m^3), representing a decrease of approximately 1.34% as compared to the corresponding period of last year. Among the total sales, approximately 85.56 million m^3 (2025: 81.67 million m^3) were sold to residential household customers, which represented an increase of approximately 4.76% as compared with the corresponding period of last year; approximately 125.14 million m^3 (2025: 131.89 million m^3) were sold to C/I customers, which represented a decrease of approximately 5.12% as compared with the corresponding period of last year.

Cylinder Gas Supply Business

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

During the Period, sales of cylinder gas was approximately 42,263 tons (2025: 48,054 tons) in total, representing a decrease of approximately 12.05% over the corresponding period of last year. A total sales revenue reached approximately RMB261,443,000 (2025: RMB270,033,000), representing a decrease of approximately RMB8,590,000 or 3.18% over the corresponding period of last year. The gross profit margin of cylinder gas supply business during the Period was approximately 26.01% (2025: 28.01%). During the Period, revenue from cylinder gas supply business accounted for approximately 22.93% (2025: 21.99%) of the total revenue of the Group. The decrease in gross profit margin was due to the proportional increase in the purchase and sales prices of gas, with the unit gross profit margin remaining basically unchanged.

Gas Distribution Business

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

During the Period, revenue from gas distribution business was approximately RMB320,173,000, representing a decrease of approximately RMB53,604,000 or 14.34% as compared with the corresponding period of last year. The sales of gas was approximately 76,514 tons (2025: 99,334 tons), representing a decrease of approximately 22.97% as compared with the corresponding period of last year. During the Period, revenue from gas distribution business accounted for approximately 28.08% (2025: 30.44%) of the Group's total revenue. The gross profit margin of gas distribution business during the Period was approximately 0.43% (2025: 0.78%). The decrease in gross profit margin was mainly due to less increase in selling price than that in purchase price.

Other Business

The food ingredients supply and the fast-moving consumer goods ("FMCG") business is considered as other business of the Group due to the business is managed and operated by the third parties and the Group is being paid usage fee on a regularly basis.

During the Period, the other business realised revenue of approximately RMB1,765,000 (2025: RMB1,329,000), accounting for approximately 0.16% (2025: 0.10%) of the Group's total revenue. A profit of approximately RMB287,000 was recorded (a loss of approximately RMB622,000 in 2025) for the Period.

New Project During the Period

There was no new significant project for the Period.

Other Gains and Losses

Other gains and losses for the Reporting Period amounted to losses of approximately RMB233,000 (2025: losses of RMB6,307,000), representing a decrease in losses of approximately RMB6,074,000 as compared to the corresponding period of last year. Such decrease was mainly due to decreases in foreign exchange loss and net of reversal of impairment losses.

Other Income

Other income for the Reporting Period amounted to approximately RMB20,303,000 (2025: RMB15,157,000), representing an increase of approximately RMB5,146,000 as compared with the corresponding period of last year. Such increase was mainly due to the increase in bank interest income and sales of materials income.

Finance Costs

Finance costs for the Reporting Period amounted to approximately RMB874,000 (2025: RMB1,620,000), representing a decrease of approximately RMB746,000 as compared to the corresponding period of last year. Such decrease was mainly due to a reduction in interest on bank borrowings.

Selling and Distribution Expenses

Selling and distribution expenses for the Reporting Period amounted to approximately RMB61,250,000 (2025: RMB67,100,000), representing a decrease of approximately RMB5,850,000 as compared with the corresponding period of last year, which was mainly due to the decrease in wages and transportation costs.

Administrative Expenses

Administrative expenses for the Reporting Period amounted to approximately RMB54,017,000 (2025: RMB52,755,000), representing an increase of approximately RMB1,262,000 as compared with the corresponding period of last year, which mainly due to increase in wages.

Share of Results of Associates

Share of profit of associates for the Reporting Period amounted to approximately RMB6,626,000 (2025: RMB16,950,000), representing a decrease of approximately RMB10,324,000 as compared to the corresponding period of last year. Such decrease was mainly attributable to the decrease in profit generated by the Company's associates for the Period.

Share of Results of Joint Ventures

Share of profit of joint ventures for the Reporting Period amounted to approximately RMB29,779,000 (2025: RMB34,395,000), representing a decrease of approximately RMB4,616,000 as compared to the corresponding period of last year. Such decrease was mainly attributable to the decrease in profit generated by the Company's joint ventures for the Period.

Income Tax Expenses

Income tax expenses for the Reporting Period amounted to approximately RMB7,235,000 (2025: RMB10,689,000), representing a decrease of approximately RMB3,454,000 as compared to the corresponding period of last year. Such decrease was mainly attributable to the decrease in current tax expenses.

Liquidity and Capital Resources

As at 30 June 2026, the unaudited condensed consolidated financial position of the Group was as follows:

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

Borrowing Structure

As at 30 June 2026, the total borrowings of the Group were approximately RMB67,410,000 (31 December 2025: RMB56,960,000), which comprised domestic bank borrowings denominated in RMB of the project companies in China. Borrowings, calculated at Loan Prime Rate announced by the People's Bank of China plus certain basis points of which interest rates are in the range of People's Bank of China base rate plus 0.05% to plus 0.60% (31 December 2025: minus 0.10% to plus 1.00%) per annum, are mainly applied to gas pipelines construction, as general working capital and for operating expenses. Apart from the borrowings of approximately RMB32,650,000 (31 December 2025: RMB28,460,000) which were secured by certain assets with carrying amount of approximately RMB127,228,000 (31 December 2025: RMB131,613,000), others were unsecured. Short-term borrowings amounted to approximately RMB34,760,000 (31 December 2025: RMB24,860,000).

Capital Structure

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

Foreign Exchange Risk

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

Capital and Other Commitments

As at 30 June 2026, the capital commitments of the Group amounted to approximately RMB16,334,000 (31 December 2025: RMB32,194,000), mainly attributable to running district gas pipelines construction. Details are set out in note 13.

Contingent Liabilities

As at 30 June 2026, the Group has no significant contingent liability.

Event After the End of the Reporting Period

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

Employees

As at 30 June 2026, we had approximately 4,700 employees, most of them were stationed in China. The employees' salaries are determined from time to time with reference to their duties and responsibilities, business performance of the Group and profitability and market conditions. In addition to pension funds, individual employees may be granted discretionary bonus and/or share options as rewards for their performance.

PROSPECTS AND OUTLOOK

The energy mix in the PRC is shifting towards low-carbon and environmentally friendly focus, with natural gas playing an increasingly prominent role. Natural gas is an important cornerstone for the high-quality social and economic development in the PRC, and it shoulders the mission of ensuring energy security and promoting green and low-carbon transformation. Currently, the natural gas consumption structure in the PRC has covered multiple fields such as urban gas, industrial fuel, chemical industry, transportation and power generation, among which urban gas consumption accounts for an overwhelming proportion. During the "15th Five-Year Plan" period, China will vigorously promote oil and gas exploration and development, fully establish "a nationwide network" and develop a unified national natural gas market. Natural gas and LPG remain the major commodities of the Group's gas business in the future. Natural gas and LPG, as clean and low-carbon fossil energy, will further contribute to the achievement of peak carbon dioxide emissions and carbon neutrality goals in the future. The government will proactively promote the gas industry to achieve high quality development.

Piped Gas Transmission and Distribution Business

In the first half of 2026, urban gas consumption maintained steady growth, and China's natural gas market generally operated in a stable manner. On the supply side, efforts continued to be made to increase domestic natural gas reserves and production capacity, while maintaining stable supply of imported pipeline gas. Meanwhile, China is advancing the renovation and intelligent upgrading of urban gas pipelines, to further improve energy infrastructure. As the urban gas pipeline renovation and intelligent upgrades advance, China's urban gas infrastructure will continue to improve. Therefore, we maintain confidence in the future piped gas market. The Group will continue to ensure the safe and effective operation of facilities and provide strong gas guarantee for people's livelihood.

Cylinder Gas Supply Business

The current energy market is at a critical stage of deepening reform. LPG, with its clean, efficient and flexible characteristics, effectively complements the Group's piped gas business. In line with the national strategy of high-quality development, China is accelerating the construction of a clean, low-carbon, safe and efficient new energy system, while coordinating the development of traditional and new energy sources, promoting the clean utilisation of fossil fuels and leveraging their regulatory and supporting role to build a diversified and resilient supply system. The Group is adapting to market changes by continuously optimising its sales strategies and service processes, expanding customer coverage, and striving to meet demand effectively.

The Group, in light of the characteristics of the cylinder gas industry and the actual business needs, will continue to develop and improve CVG gas management systems, to realise digital and information management of cylinder gas business, to promote electronic filling, distribution, information technology for reducing the operating costs and improving distribution efficiency, and to improve the safety and security capabilities of the cylinder gas business. Leveraging favorable policies and development environment and prospect, the Group will strive to ensure safe operation and efficient transportation, so as to expand the market share of areas with no established presences, and create better economic performance.

Gas Distribution Business

In the first half of 2026, China's total energy consumption increased by 2.7% year-on-year, with the growth rate moderating compared to the first quarter. As the pace of green and low-carbon transition accelerates, the proportion of clean energy consumption continues to rise. However, the green transition is not an overnight task; fossil fuels, including natural gas, will continue to play a vital role in providing underpinning security and regulatory support. The Fourth Plenary Session of the 20th CPC Central Committee listed "achieving new and significant progress in building a Beautiful China" as a key objective for the 15th Five-Year Plan period and dedicated a chapter to its deployment. The "15th Five-Year Plan for Building a Beautiful China" was officially issued in June 2026, charting the direction for high-quality development in the energy sector.

The Group is seizing opportunities in the gas industry by expanding its scale on the basis of consolidating its distribution business, while focusing on operational efficiency. By optimising the entire value chain and introducing lean management and digital tools, the Group has reduced costs and improved efficiency, enhanced customer stickiness, and maximised profitability while ensuring safe supply, thereby strengthening corporate resilience and endogenous growth momentum. We firmly believe that the dual drive of scale and efficiency will promote steady growth in the gas distribution business and support the green transition.

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

Other Business

The introduction of third-party professional management will help explore new markets, introduce efficient processes, reduce operating costs, effectively enhance business profitability, and achieve mutual benefit and win-win outcomes.

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

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

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and the code provisions (the "**Code Provisions**") as set out in the "Corporate Governance Code" contained in Appendix C1 of the Listing Rules on the Stock Exchange. As far as the Code Provisions is concerned, for the six months ended 30 June 2026 and up to the date of this interim report, the Company complies with all aspect of the Code Provisions.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

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

REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE

The audit committee of the Company has reviewed with management the appropriateness and consistent application of significant accounting principles adopted by the Company and financial reporting system as well as discussed judgmental issues, accounting estimates, adequacy of disclosures and internal consistency of the interim financial statements for the Period.

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

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

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

Beijing, 26 August 2026

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