中裕能源控股有限公司
ZHONGYU ENERGY HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
(Stock Code:3633)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH JUNE, 2026 AND SUPPLEMENTAL DISCLOSURES IN RELATION TO THE CHANGE OF AUDITOR

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	For the six months ended 30th June/ At 30th June,		
(Unaudited)	**2026** ***HK$'000***	2025 *HK$'000*	changes %
Turnover	**6,066,746**	6,575,509	(7.7)%
Profit for the period	**240,001**	248,181	(3.3)%
Non-HKFRS profit attributable to owners of the Company (as defined in page 25)	**153,364**	119,607	28.2%
Non-HKFRS EBITDA (as defined in page 25)	**785,000**	785,000	–
Basic earnings per share (HK cents)	**8.27**	8.89	(7.0)%
Non-HKFRS basic earnings per share (HK cents) (as defined in page 26)	**5.60**	4.33	29.3%
Unit of gas sold to retail customers ('000 m^3)	**1,173,396**	1,144,446	2.5%
	At 30th June, 2026	At 31st December, 2025	
Net asset value per share attributable to owners of the Company (HK dollars)	**2.94**	2.67	10.1%

The board of directors (the "Board" or the "Directors") of Zhongyu Energy Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June, 2026, together with the comparative figures for the corresponding period in 2025, which are set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30th June, 2026

		For the six months ended 30th June,	
		2026	2025
		(unaudited)	(unaudited)
	NOTES	***HK$'000***	*HK$'000*
Turnover	*3*	**6,066,746**	6,575,509
Cost of sales		**(5,293,040)**	(5,786,266)
Gross profit		**773,706**	789,243
Other gains and losses	*5*	**75,001**	123,142
Other income		**43,134**	81,609
Selling and distribution costs		**(94,424)**	(104,445)
Administrative expenses		**(296,722)**	(297,674)
Impairment losses on financial assets		**(316)**	(853)
Finance costs	*6*	**(173,754)**	(208,493)
Share of results of associates		**43,514**	18,164
Share of results of joint ventures		**(21)**	(85)
Profit before tax		**370,118**	400,608
Income tax expenses	*7*	**(130,117)**	(152,427)
Profit for the period	*8*	**240,001**	248,181
Profit for the period attributable to:			
Owners of the Company		**226,174**	245,510
Non-controlling interests		**13,827**	2,671
		240,001	248,181

	NOTE	For the six months ended 30th June, 2026 (unaudited) HK$'000	2025 (unaudited) HK$'000
Profit for the period		**240,001**	248,181
Other comprehensive income (expense)			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**208,294**	(2,700)
Fair value gain on revaluation of pipelines included in property, plant and equipment		**434,014**	170,643
Deferred tax arising from revaluation of pipelines included in property, plant and equipment		**(108,503)**	(42,661)
Other comprehensive income for the period		**533,805**	125,282
Total comprehensive income for the period		**773,806**	373,463
Profit for the period attributable to:			
Owners of the Company		**226,174**	245,510
Non-controlling interests		**13,827**	2,671
		240,001	248,181
Total comprehensive income for the period attributable to:			
Owners of the Company		**714,876**	355,853
Non-controlling interests		**58,930**	17,610
		773,806	373,463
Earnings per share	*10*		
Basic (HK cents)		**8.27**	8.89
Diluted (HK cents)		**8.27**	8.89

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2026

	NOTES	30th June, 2026 (unaudited) HK$'000	31st December, 2025 (audited) HK$'000
Non-current assets			
Investment properties		**6,070**	5,866
Property, plant and equipment		**16,740,464**	15,991,544
Right-of-use assets		**663,780**	642,180
Goodwill		**480,280**	464,181
Other intangible assets		**1,251,708**	1,252,799
Long-term deposits, prepayments and other receivables		**1,380,414**	1,045,443
Interests in associates		**895,114**	822,325
Interests in joint ventures		**11,845**	11,469
Financial assets at fair value through other comprehensive income		**236,878**	77,916
		21,666,553	20,313,723
Current assets			
Inventories		**663,562**	375,313
Properties under development for sale		**199,907**	227,519
Trade receivables	*11*	**1,728,847**	1,679,512
Deposits, prepayments and other receivables		**1,420,472**	1,274,589
Amount due from a non-controlling shareholder of a subsidiary		**8,671**	8,380
Contract assets		**603,595**	593,603
Tax recoverable		**3,975**	3,842
Bank balances and cash		**1,393,998**	1,082,832
		6,023,027	5,245,590
Current liabilities			
Trade payables	*12*	**1,025,859**	963,719
Other payables and accrued charges		**812,980**	845,756
Amount due to a non-controlling shareholder of a subsidiary		**1,272**	1,229
Amount due to an associate		**1,034**	999
Contract liabilities		**905,389**	997,006
Borrowings		**5,582,298**	7,914,824
Lease liabilities		**6,420**	7,897
Tax payables		**15,162**	103,061
		8,350,414	10,834,491
Net current liabilities		**(2,327,387)**	(5,588,901)
Total assets less current liabilities		**19,339,166**	14,724,822

	30th June, 2026 (unaudited)	31st December, 2025 (audited)
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**27,483**	27,483
Reserves	**7,913,399**	7,318,467
Equity attributable to owners of the Company	**7,940,882**	7,345,950
Non-controlling interests	**994,796**	958,773
Total equity	**8,935,678**	8,304,723
Non-current liabilities		
Deferred income and advance received	**3,253**	3,430
Borrowings	**9,137,075**	5,280,866
Lease liabilities	**18,470**	17,851
Deferred taxation	**1,244,690**	1,117,952
	10,403,488	6,420,099
	19,339,166	14,724,822

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

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

2. ACCOUNTING POLICIES

This financial information has been prepared on the historical cost basis except for certain property, plant and equipment, financial instruments and investment properties, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies and methods of computation used in this financial information for the six months ended 30th June, 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31st December, 2025.

Application of amendments to HKFRS Accounting Standards

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

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 Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in this financial information.

3. TURNOVER

Disaggregation of revenue from contracts with customers

	For the six months ended 30th June,	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Types of goods or services		
Sales of gas	**5,222,790**	5,619,687
Gas pipeline construction	**262,558**	380,049
Smart energy	**298,963**	332,361
Value-added services	**211,259**	151,416
Sales of compressed natural gas or liquefied natural gas ("CNG/LNG") in vehicle filling stations	**71,176**	91,996
Total	**6,066,746**	6,575,509
Timing of revenue recognition		
A point in time	**5,804,188**	6,195,460
Over time	**262,558**	380,049
Total	**6,066,746**	6,575,509

Revenue from contracts with customers are mainly derived from the Chinese Mainland.

4. SEGMENT INFORMATION

The Group's executive Directors are the chief operating decision makers ("CODM") as they collectively make strategic decisions on resources allocation and performance assessment. Majority of identifiable assets of the Group are located in the Chinese Mainland.

Information that is reported to the CODM for the purpose of resources allocation and assessment of performance focuses on the type of products delivered or services rendered which is also consistent with the basis of organisation of the Group.

Each type of product or service represents a unique business unit within the Group whose performance is assessed independently. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments are as follows:

(a) sales of gas;

(b) gas pipeline construction;

(c) smart energy;

(d) value-added services (including sales of stoves and provision of other related services); and

(e) operation of CNG/LNG vehicle filling stations.

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

For the six months ended 30th June, 2026 (unaudited)

	Sales of gas	**Gas pipeline construction**	**Smart energy**	**Value-added services**	**Operation of CNG/LNG vehicle filling stations**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Segment revenue	**5,222,790**	**262,558**	**298,963**	**211,259**	**71,176**	**6,066,746**
Segment profit	**309,418**	**131,308**	**11,169**	**41,076**	**1,355**	**494,326**
Unallocated other income						**37,011**
Unallocated other gains and losses						**74,202**
Unallocated central corporate expenses						**(61,351)**
Impairment losses on other receivables						**(316)**
Finance costs						**(173,754)**
Profit before tax						**370,118**

For the six months ended 30th June, 2025 (unaudited)

	Sales of gas	Gas pipeline construction	Smart energy	Value-added services	Operation of CNG/LNG vehicle filling stations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	5,619,687	380,049	332,361	151,416	91,996	6,575,509
Segment profit	218,055	181,600	28,962	40,821	1,529	470,967
Unallocated other income						73,325
Unallocated other gains and losses						125,320
Unallocated central corporate expenses						(60,119)
Impairment losses on other receivables						(392)
Finance costs						(208,493)
Profit before tax						400,608

The accounting policies of the operating segments are the same as the Group's accounting policies. Reportable segments represent the financial result of each segment without allocation of central administration costs, directors' emoluments, interest income, certain foreign exchange gains or losses, certain sundry income, impairment losses on other receivables and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

5. OTHER GAINS AND LOSSES

	For the six months ended 30th June,	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net foreign exchange gains	**73,126**	126,756
Net gains (losses) on disposal of property, plant and equipment	**1,479**	(1,436)
Others	**396**	(2,178)
	75,001	123,142

6. FINANCE COSTS

	For the six months ended 30th June,	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Interest on borrowings and lease liabilities	**238,368**	267,937
Amortisation on loan facilities fees relating to bank borrowings	**21,230**	17,730
Total borrowing costs	**259,598**	285,667
Less: Amounts capitalised in construction in progress included in property, plant and equipment	**(85,844)**	(77,174)
	173,754	208,493

7. INCOME TAX EXPENSES

	For the six months ended 30th June,	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
PRC Enterprise Income Tax	**130,117**	152,427

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries had no assessable profits arising in Hong Kong for both periods.

Under the EIT Law of the PRC, withholding tax is imposed on the dividends declared to non-PRC tax residents in respect of profits earned by PRC subsidiaries from 1st January, 2008 onwards. During the six months ended 30th June, 2026, no withholding tax (six months ended 30th June, 2025: withholding tax amounting to HK$30,355,000) was charged by the PRC tax authority on the dividends paid to overseas group entities.

8. PROFIT FOR THE PERIOD

	For the six months ended 30th June,	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging:		
Amortisation of other intangible assets (included in cost of sales)	**43,308**	41,437
Depreciation of right-of-use assets	**9,463**	9,107
Depreciation of property, plant and equipment	**260,683**	251,195

9. DIVIDENDS

During the six months ended 30th June, 2026, a final dividend of HK3 cents per ordinary share in respect of the year ended 31st December, 2025 (six months ended 30th June, 2025: a final dividend of HK2 cents per ordinary share in respect of the year ended 31st December, 2024), in an aggregate amount of HK$81,028,000 (six months ended 30th June, 2025: HK$54,966,000), has been proposed by the Directors and approved by the shareholders in the annual general meeting.

No dividend was paid during the six months ended 30th June, 2026 and 2025.

Subsequent to the end of the current interim period, the Directors do not recommend the payment of an interim dividend for the six months ended 30th June, 2026.

10. EARNINGS PER SHARE

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

	For the six months ended 30th June,	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share, being profit for the period attributable to owners of the Company	**226,174**	245,510

	For the six months ended 30th June,	
	2026	2025
	(unaudited)	(unaudited)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**2,736,237**	2,762,021

11. TRADE RECEIVABLES

Other than certain major customers with good repayment history which the Group allows a long credit period, the Group generally allows an average credit period of 30 to 180 days (31st December, 2025: 30 to 180 days) to its trade customers. The following is an aged analysis of trade receivables from contracts with customers, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates for sales of gas and the respective construction contracts completion dates, as appropriate:

	30th June, 2026 (unaudited) ***HK$'000***	31st December, 2025 (audited) *HK$'000*
0 – 180 days	**435,379**	552,250
181 – 360 days	**284,060**	95,247
Over 360 days	**1,009,408**	1,032,015
Trade receivables	**1,728,847**	1,679,512

As at 30th June, 2026, total bills received amounting to HK$104,007,000 (31st December, 2025: HK$154,323,000) (included in the balance of trade receivables) are held by the Group for future settlement of trade receivables. All bills received by the Group are with a maturity period of less than one year.

The amounts due from certain PRC local governments for the "Coal-to-gas" projects under the "gas pipeline construction" segment are included in the carrying amount of trade receivables.

12. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30th June, 2026 (unaudited) ***HK$'000***	31st December, 2025 (audited) *HK$'000*
0 – 90 days	**261,900**	303,461
91 – 180 days	**72,782**	180,121
Over 180 days	**691,177**	480,137
Trade payables	**1,025,859**	963,719

The average credit period on purchase of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

LIQUIDITY, FINANCIAL RESOURCES AND WORKING CAPITAL

Treasury Management and Cash Funding

The Group's funding and treasury policy is designed to maintain a diversified and balanced debt profile and financing structure. The Group continues to monitor its cash flow position and debt profile, and to enhance the cost-efficiency of funding initiatives by its centralised treasury function. In order to maintain financial flexibility and adequate liquidity for the Group's operations, potential investments and growth plans, the Group has built a strong base of funding resources and will keep exploring cost-efficient ways of financing.

Liquidity

As at 30th June, 2026, the total assets of the Group increased by HK$2,130,267,000 or 8.3% to HK$27,689,580,000 (31st December, 2025: HK$25,559,313,000).

As at 30th June, 2026, the Group has net current liabilities of HK$2,327,387,000 (31st December, 2025: HK$5,588,901,000). Decrease in net current liabilities was mainly due to decrease in borrowings due within one year.

As at 30th June, 2026, the Group's current ratio, represented by a ratio of total current assets to total current liabilities, was approximately 0.7 (31st December, 2025: 0.5).

As at 30th June, 2026, the total borrowings and lease liabilities increased by HK$1,522,825,000 or 11.5% to HK$14,744,263,000 (31st December, 2025: HK$13,221,438,000).

As at 30th June, 2026, the Group had total net debts of HK$13,350,265,000 (31st December, 2025: HK$12,138,606,000), measured as total borrowings and lease liabilities minus the bank balances and cash. As at 30th June, 2026, the Group had net gearing ratio of approximately 1.49 (31st December, 2025: 1.46), measured as total net debts to total equity of HK$8,935,678,000 (31st December, 2025: HK$8,304,723,000).

Financial resources

During the period under review, the Group entered into several loan agreements with several banks in Hong Kong, pursuant to which loan facilities of up to HK$620,231,000 in total were made available to the Group.

During the six months ended 30th June, 2026, the Group generally financed its operations with internally generated resources and bank and other borrowings. As at 30th June, 2026, all of the bank and other borrowings were on normal commercial terms.

The Group's borrowing was not affected by seasonality.

Working capital

In view of the Group's current financial and liquidity positions and taking into account the cash generated from operation activities and available financing facilities from banks, the Directors are of the opinion that the Group has sufficient working capital for its requirements.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

During the period under review, the Group's monetary assets and liabilities are principally denominated in either Renminbi ("RMB"), Hong Kong dollars ("HK$") or United States dollars ("US$") and the Group conducted its business transactions principally in RMB. As a result of the appreciation of RMB in the first half of 2026, exchange gain arose from the Group's bank borrowings denominated in US$ and HK$ was recognised during the period under review. The Group may, as it thinks fit, seek suitable financial instruments to hedge against potential fluctuation of RMB. As at 30th June, 2026, the Group did not, but was actively exploring opportunities to, employ any financial instruments for hedging purposes.

EMPLOYEE INFORMATION

As at 30th June, 2026, the Group had a total of 4,900 employees (30th June, 2025: 5,143) in Hong Kong and the Chinese Mainland, and the total employee benefit expenses (other than directors) for the period under review was approximately RMB289,205,000 (equivalent to approximately HK$328,642,000) (six months ended 30th June, 2025: RMB297,376,000 (equivalent to approximately HK$322,884,000)). The total employee benefit expenses expressed in RMB for the period under review, excluding the impact of HK$ translation, decreased by 2.7%. The decline was mainly due to the decrease in the number of headcount of the Group. Around 99.7% of the Group's employees are based in the Chinese Mainland.

The Group's remuneration and bonus policies are determined based on the performance of individual employees.

The emoluments of the Directors are recommended by the Remuneration Committee of the Company, having regard to the Group's operating results, the Directors' duties and responsibilities within the Group and comparable market statistics.

CHARGE ON THE GROUP'S ASSETS

As at 30th June, 2026, no pledged bank deposit (31st December, 2025: RMB50,000,000 (equivalent to HK$55,865,000)) was used to secure general banking facilities granted to the Group.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSALS

During the period under review, the Group did not conduct any significant investments, or material acquisitions or disposal of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As at 30th June, 2026, the Board did not have any specific plans for material investment or capital assets.

CAPITAL AND OTHER COMMITMENTS

As at 30th June, 2026, the capital expenditure in respect of the acquisition of property, plant and equipment and right-of-use assets contracted for but not provided in the financial information was HK$97,776,000 (31st December, 2025: HK$91,585,000).

CONTINGENT LIABILITIES

As at 30th June, 2026, the Group did not have any contingent liabilities (31st December, 2025: nil).

BUSINESS REVIEW

During the period under review, the Group was principally engaged in (i) the investment, operation and management of gas pipeline infrastructure, and the distribution of piped gas to residential, industrial and commercial users; (ii) development of smart energy; (iii) sales of stoves and provision of other related value-added services; and (iv) the operation of CNG/LNG vehicle filling stations in the Chinese Mainland.

Piped Gas Distribution Projects

As at 30th June, 2026, the Group had 74 gas projects with exclusive rights in the PRC.

Major Operational Data

The natural gas distribution business of the Group primarily comprises sales of gas, gas pipeline construction and sales of natural gas from CNG/LNG vehicle filling stations.

The major operational data of the Group for the period under review together with the comparative figures for the corresponding period last year are as follows:

	Six months ended 30th June/At 30th June, (unaudited)		
	2026	2025	Increase/ (Decrease)
Number of operational locations *(Note a)*	**74**	74	–
– Henan Province	**28**	28	–
– Hebei Province	**21**	21	–
– Jiangsu Province	**7**	7	–
– Shandong Province	**4**	4	–
– Jilin Province	**4**	4	–
– Fujian Province	**1**	1	–
– Heilongjiang Province	**2**	2	–
– Zhejiang Province	**2**	2	–
– Anhui Province	**3**	3	–
– Inner Mongolia	**1**	1	–
– Jiangxi Province	**1**	1	–
Connectable population ('000) *(Note b)*	**26,589**	25,939	2.5%
Connectable residential households ('000)	**7,597**	7,411	2.5%
New piped gas connections by the Group made during the period			
– Residential households	**70,145**	105,560	(33.5)%
– Industrial customers	**145**	186	(22.0)%
– Commercial customers	**1,323**	1,571	(15.8)%
Accumulated number of connected piped gas customers			
– Residential households	**5,469,580**	5,297,310	3.3%
– Industrial customers	**5,120**	4,764	7.5%
– Commercial customers	**31,688**	28,201	12.4%
Penetration rate of residential pipeline connection *(Note c)*	**72.0%**	71.5%	0.5%
Unit of piped natural gas sold to retail customers ('000 m^3)			
– Residential households	**446,825**	442,897	0.9%
– Industrial customers	**649,215**	621,303	4.5%
– Commercial customers	**77,356**	80,246	(3.6)%

	Six months ended 30th June/At 30th June, (unaudited)		Increase/
	2026	2025	(Decrease)
Unit of gas sold to wholesale customers ('000 m^3)			
– Piped natural gas	**116,535**	160,999	(27.6)%
– LNG	**157,219**	357,900	(56.1)%
Total unit of gas sold ('000 m^3)	**1,447,150**	1,663,345	(13.0)%
Number of CNG/LNG vehicle filling stations			
– Accumulated	**55**	56	(1)
– Under construction	**7**	7	–
Unit of natural gas sold to vehicles ('000 m^3)	**18,587**	24,728	(24.8)%
Total length of existing intermediate and main pipelines (km)	**28,732**	28,380	1.2%
Average selling price of natural gas (pre-tax) (RMB per m^3)			
– Residential households	**2.66**	2.65	0.4%
– Industrial customers	**3.55**	3.53	0.6%
– Commercial customers	**3.89**	3.89	–
– Wholesale customers	**2.65**	2.52	5.2%
– Wholesale customers (LNG)	**3.15**	3.03	4.0%
– CNG/LNG vehicle filling stations	**3.37**	3.43	(1.7)%
Average purchase cost of natural gas (RMB per m^3) *(Note d)*	**2.66**	2.70	(1.5)%
Average connection fee for residential households (RMB)	**2,646**	2,790	(5.2)%
Accumulated number of integrated energy projects in operation	**164**	262	(37.4)%
Sales volume of integrated energy (million kWh)	**694**	818	(15.2)%

Note a: The number of operational locations represents the gas projects with exclusive rights which are operated by the Group in different cities and regions in the PRC.

Note b: The information is quoted from the website of the PRC government.

Note c: The penetration rates of residential pipeline connection refers to the accumulated number of the Group's connected residential households to the estimated aggregate number of connectable residential households in its operation regions expressed in percentages.

Note d: The amounts do not include the average distribution costs of natural gas, which is RMB0.23 per m^3 (six months ended 30th June, 2025: RMB0.21 per m^3).

FINANCIAL REVIEW

Overall

The Group's turnover for the six months ended 30th June, 2026 decreased by 7.7% to HK$6,066,746,000 (six months ended 30th June, 2025: HK$6,575,509,000). The Group's profit attributable to owners of the Company decreased by 7.9% to HK$226,174,000 (six months ended 30th June, 2025: HK$245,510,000). The basic and diluted earnings per share attributable to the owners of the Company were HK8.27 cents and HK8.27 cents respectively for the six months ended 30th June, 2026, as compared with that of HK8.89 cents and HK8.89 cents respectively for the corresponding period last year.

Non-HKFRS profit attributable to owners of the Company for the period under review amounted to HK$153,364,000 (six months ended 30th June, 2025: HK$119,607,000). Non-HKFRS basic and diluted earnings per share attributable to the owners of the Company for the period under review were HK5.60 cents and HK5.60 cents (six months ended 30th June, 2025: HK4.33 cents and HK4.33 cents) respectively.

Turnover

An analysis of the Group's turnover by products and services for the period under review, together with the comparative figures for the corresponding period last year, are as follows:

	For the six months ended 30th June,				
	2026	**% of total**	2025	% of total	Increase/ (Decrease)
	HK$'000		*HK$'000*		
Sales of Gas	**5,222,790**	**86.1%**	5,619,687	85.5%	(7.1)%
Gas Pipeline Construction	**262,558**	**4.3%**	380,049	5.8%	(30.9)%
Smart Energy	**298,963**	**4.9%**	332,361	5.0%	(10.0)%
Value-added Services	**211,259**	**3.5%**	151,416	2.3%	39.5%
Sales of CNG/LNG in Vehicle Filling Stations	**71,176**	**1.2%**	91,996	1.4%	(22.6)%
Total	**6,066,746**	**100%**	6,575,509	100%	(7.7)%

The turnover for the period under review amounted to HK$6,066,746,000 (six months ended 30th June, 2025: HK$6,575,509,000). Such decrease was mainly attributable to the decrease in revenue from sales of gas and gas pipeline construction.

Sales of gas

Sales of gas for the six months ended 30th June, 2026 amounted to HK$5,222,790,000 (six months ended 30th June, 2025: HK$5,619,687,000), representing a decrease of 7.1% over the corresponding period last year.

Sales of gas for the period under review contributed 86.1% of the total turnover of the Group, as compared with 85.5% during the corresponding period last year. Sales of gas continued to be the major source of turnover for the Group. The following table set forth the breakdown of revenue from sales of gas by customers.

<u>*Sales of gas by customers*</u>

	For the six months ended 30th June,				
	2026	**% of total**	2025	% of total	Increase/ (Decrease)
	HK$'000		*HK$'000*		
Industrial customers	**2,616,589**	**50.1%**	2,383,814	42.4%	9.8%
Residential households	**1,350,128**	**25.9%**	1,276,873	22.7%	5.7%
Commercial customers	**341,789**	**6.5%**	339,315	6.1%	0.7%
Wholesale customers	**914,284**	**17.5%**	1,619,685	28.8%	(43.6)%
Total	**5,222,790**	**100%**	5,619,687	100%	(7.1)%

Industrial customers

The sales of gas to the Group's industrial customers for the period under review increased by 9.8% to HK$2,616,589,000 from HK$2,383,814,000 for the corresponding period last year. During the period under review, the Group connected 145 new industrial customers and the piped natural gas usage provided by the Group to its industrial customers increased by 4.5% to 649,215,000 m^3 (six months ended 30th June, 2025: 621,303,000 m^3). The average selling price of natural gas for industrial customers for the period under review was adjusted upwards by 0.6% to RMB3.55 per m^3 (six months ended 30th June, 2025: RMB3.53 per m^3).

The sales of gas to our industrial customers for the period under review contributed 50.1% of the total sales of gas of the Group (six months ended 30th June, 2025: 42.4%) and continues to be the major source of sales of gas of the Group.

Residential households

The sales of gas to our residential households for the period under review increased by 5.7% to HK$1,350,128,000 from HK$1,276,873,000 for the corresponding period last year. The performance remains stable as it was supported by continuous construction work for gas pipeline connection and the growth in population in the Group's existing project cities in the PRC. In recent years, as the PRC have been promoting the establishment of the price linkage mechanism for natural gas, governments at local level have made price adjustment to the natural gas consumed by residential households. Furthermore, after years of promotion of clean energy heating plan, more residential households are willing to use natural gas for indoor heating in the winter, which led to stable gas consumption of residential households for indoor as well. During the period under review, the Group provided new natural gas connections for 70,145 residential households and the piped natural gas usage provided by the Group to residential households increased by 0.9% to 446,825,000 m^3 (six months ended 30th June, 2025: 442,897,000 m^3). The average selling price of natural gas for residential customers slightly increased by 0.4% to RMB2.66 per m^3 (six months ended 30th June, 2025: RMB2.65 per m^3).

The sales of gas to our residential households for the period under review contributed 25.9% of the total sales of gas of the Group (six months ended 30th June, 2025: 22.7%).

Commercial customers

The sales of gas to our commercial customers for the period under review increased by 0.7% to HK$341,789,000 from HK$339,315,000 for the corresponding period last year. Revenue from sales of gas to commercial customers expressed in RMB for the period under review decreased by 3.8%. The sales of gas to commercial customers for the period under review contributed 6.5% of the total sales of gas of the Group (six months ended 30th June, 2025: 6.1%). During the period under review, the Group connected 1,323 new commercial customers. As at 30th June, 2026, the number of commercial customers of the Group reached 31,688, representing an increase of 4.4% as compared with 30,365 commercial customers as at 31st December, 2025.

The demand of gas by restaurants, schools and recreational facilities decreased in the first half of 2026. The gas consumption of commercial customers decreased by 3.6% to 77,356,000 m^3 (six months ended 30th June, 2025: 80,246,000 m^3) for the period under review. The average selling price of natural gas for commercial customers remained stable at RMB3.89 per m^3 (six months ended 30th June, 2025: RMB3.89 per m^3) when compared to the corresponding period last year.

Wholesale customers

The sales of gas to our wholesale customers for the period under review decreased by 43.6% to HK$914,284,000 from HK$1,619,685,000 for the corresponding period last year. The sales of gas to wholesale customers for the period under review contributed 17.5% of the total sales of gas of the Group (six months ended 30th June, 2025: 28.8%).

During the period under review, piped natural gas usage provided by the Group to its wholesale customers declined by 27.6% to 116,535,000 m^3 (six months ended 30th June, 2025: 160,999,000 m^3). Despite the decline in volume of natural gas sold, the average selling price increased. The average selling price of natural gas for wholesales customers for the period under review was adjusted upwards by 5.2% to RMB2.65 per m^3 (six months ended 30th June, 2025: RMB2.52 per m^3).

During the period under review, the LNG provided by the Group to its wholesale customers decreased by 56.1% to 157,219,000 m^3 (six months ended 30th June, 2025: 357,900,000 m^3). The average selling price of LNG for wholesale customers for the period under review, which was affected by the increase of international LNG price, was adjusted upwards by 4.0% to RMB3.15 per m^3 (six months ended 30th June, 2025: RMB3.03 per m^3).

Gas Pipeline Construction

Revenue from gas pipeline construction for the six months ended 30th June, 2026 amounted to HK$262,558,000 (six months ended 30th June, 2025: HK$380,049,000), representing a decrease of 30.9% over the corresponding period last year. Given the impact brought by the fact that the real estate industry in the PRC was recorded poor performance, there was a decline in the revenue from gas pipeline construction.

Gas pipeline construction contributed 4.3% of the total turnover of the Group, as compared with 5.8% during the corresponding period last year. The following table set forth the breakdown of revenue from gas pipeline construction by customers.

Revenue from gas pipeline construction by customers

	For the six months ended 30th June,				
	2026	**% of total**	2025	% of total	Increase/ (Decrease)
	HK$'000		*HK$'000*		
Residential households	**210,945**	**80.3%**	319,804	84.1%	(34.0)%
Non-residential customers	**51,613**	**19.7%**	60,245	15.9%	(14.3)%
Total	**262,558**	**100%**	380,049	100%	(30.9)%

During the period under review, revenue from gas pipeline construction for residential households decreased by 34.0% to HK$210,945,000 (six months ended 30th June, 2025: HK$319,804,000). The drop was mainly attributable to the decrease in construction work for gas pipeline connection completed by the Group for residential households to 70,145 from 105,560 for the corresponding period last year. During the period under review, the average connection fee decreased to RMB2,646 (six months ended 30th June, 2025: RMB2,790).

The gross profit margin for gas pipeline construction for the period under review increased to 77.8% (six months ended 30th June, 2025: 75.7%).

The connection fee charged to industrial/commercial customers by the Group was significantly higher than that charged to residential households and was determined on a case-by-case basis. During the period under review, revenue from gas pipeline construction for non-residential customers decreased by 14.3% to HK$51,613,000 from HK$60,245,000 for the corresponding period last year.

As at 30th June, 2026, the Group's penetration rates of residential pipeline connection amounted to 72.0% (30th June, 2025: 71.5%) (calculated by the accumulated number of the Group's connected residential households over the estimated aggregate number of connectable residential households in regions it operates in and expressed in percentages). In view of the favourable energy policies in the PRC, the Group aims to continuously increase its market coverage by acquisitions when suitable opportunities arise.

Smart Energy

Revenue from smart energy for the six months ended 30th June, 2026 amounted to HK$298,963,000 (six months ended 30th June, 2025: HK$332,361,000), representing a decrease of 10.0% over the corresponding period last year. The decrease was mainly attributable to the Group's continuous optimization of the structure of this business segment. While ensuring the stable operation of existing integrated energy projects, the Group has focused on the new biomass mainline, concentrating key resources on the strategic development of the entire upstream and downstream biomass industry chain. The smart energy business contributed 4.9% (six months ended 30th June, 2025: 5.0%) of the total turnover of the Group for the period under review. The Group will fully leverage its advantages of the entire industry chain, accelerate the expansion of domestic and overseas biomass business, deepen technological development and its presence in the ASEAN market, strengthen raw material procurement and supply chain system development, and build a three-pronged core barrier comprising "market + technology + supply chain".

Value-added Services

Revenue from value-added services for the six months ended 30th June, 2026 amounted to HK$211,259,000 (six months ended 30th June, 2025: HK$151,416,000), representing an increase of 39.5% over the corresponding period last year. It contributed 3.5% of the total turnover of the Group, as compared with 2.3% during the corresponding period last year.

The increase was mainly contributed by the revenue from properties sold for the six months ended 30th June, 2026 amounted to HK$54,440,000 (six months ended 30th June, 2025: nil), which was recognised as value-added services. Since 2017, the Group placed greater efforts into value-added services such as sales of stoves and safe and reliable kitchenware, including gas water heaters, gas cooking appliances and wall-hang boilers under its own brand name, "Zhongyu Phoenix" (中裕鳳凰), to residential customers. Excluding the revenue from properties sold, revenue from sales of stoves and provision of other related services increased by 3.6% as compared to the corresponding period last year, which was mainly due to the increase in provision of pipe modification services and gas pipeline aesthetic improvement services for the period under review. With the increasing number of connected residential customers and brand recognition developed in recent years, as well as the establishment of the online shopping platform "Zhongyu iFamille" (中裕i家), the independent supply platform, customer service platform and customer online community, the value-added services are expected to contribute stable revenue to the Group.

Sales of CNG/LNG in Vehicle Filling Stations

Revenue from operating CNG/LNG vehicle filling stations for the six months ended 30th June, 2026 amounted to HK$71,176,000 (six months ended 30th June, 2025: HK$91,996,000), representing a decrease of 22.6% compared to the corresponding period last year. The unit of natural gas sold to vehicles decreased by 24.8% to 18,587,000 m^3 (six months ended 30th June, 2025: 24,728,000 m^3) and the average selling price of natural gas for CNG/LNG vehicle filling stations decreased by 1.7% to RMB3.37 per m^3 (six months ended 30th June, 2025: RMB3.43 per m^3) for the period under review.

During the period under review, the turnover derived from operating CNG/LNG vehicle filling stations accounted for 1.2% (six months ended 30th June, 2025: 1.4%) of the total turnover of the Group. As at 30th June, 2026, the Group had 55 CNG/LNG vehicle filling stations and 7 CNG/LNG vehicle filling stations under construction in the PRC.

Gross profit margin

The overall gross profit margin for the six months ended 30th June, 2026 was 12.8% (six months ended 30th June, 2025: 12.0%). The increase in overall gross profit margin in the current period was mainly due to the increase of gross profit margin of sales of gas and gas pipeline construction.

The gross profit margin for the sales of piped natural gas increased to 9.3% for the period under review (six months ended 30th June, 2025: 7.6%) due to the increment of average selling price of natural gas and the decrement of average cost of natural gas. The Group continued to optimize its gas source structure to secure stable gas supply from different sources and entered into contracts with suppliers to secure more piped gas supply with lower average cost. The gross profit margin for gas pipeline construction increased to 77.8% for the period under review (six months ended 30th June, 2025: 75.7%) attributable to the higher gross profit margin of the renovation work for gas pipeline connection completed by the Group for old residential communities. The gross profit margin of smart energy decreased to 11.0% (six months ended 30th June, 2025: 14.4%), primarily impacted by the changes in time-of-use electricity pricing policy in certain regions, which led to periodic fluctuations in the revenue from the distributed photovoltaic projects. In response, the Group proactively optimized its business structure. While consolidating traditional integrated energy projects, it has identified biomass as a new strategic priority, concentrating its efforts on deepening its presence across the entire industrial chains from upstream to downstream. Currently, the management integration of Guangdong Baojie Environmental Protection Technology Co., Ltd. has been successfully completed, the dual domestic and international expansion strategy has been steadily implemented, and positive progress has been made in the biomass business expansion, injecting new momentum for the Group's sustainable development. The gross profit margin for value-added services decreased to 57.3% (six months ended 30th June, 2025: 88.2%) mainly due to lower gross profit margin contributed by sales of properties.

Other gains and losses

The Group recognised other net gains of HK$75,001,000 during the period under review (six months ended 30th June, 2025: HK$123,142,000). The amount was mainly derived from net foreign exchange gains of HK$73,126,000 (six months ended 30th June, 2025: HK$126,756,000) mainly arising from the Group's bank borrowings denominated in US$ and HK$ as a result of the appreciation of RMB for the six months ended 30th June, 2026.

Selling and distribution costs and administrative expenses

Selling and distribution costs decreased by 9.6% to HK$94,424,000 for the period under review from HK$104,445,000 for the corresponding period last year. The decrease was mainly attributable to (i) the decrease in salaries resulting from the decline in number of employees; and (ii) the decrease in commission expenses, which was due to a reduction in commission rate aimed at enhancing cost-effectiveness for valued-added services. Administrative expenses slightly decreased by 0.3% to HK$296,722,000 for the period under review from HK$297,674,000 for the corresponding period last year.

Finance costs

Finance costs decreased by 16.7% to HK$173,754,000 for the six months ended 30th June, 2026 from HK$208,493,000 for the corresponding period last year. The decrease was mainly attributable to decrement of effective interest rate.

Income tax expenses

For the six months ended 30th June, 2026, income tax expenses decreased by 14.6% to HK$130,117,000 (six months ended 30th June, 2025: HK$152,427,000), mainly due to a decrease in effective tax rate of the Group.

Non-HKFRS EBITDA

For the purposes of this announcement, non-HKFRS EBITDA is defined as earnings from continuing operations before finance costs, taxation, depreciation, amortisation, foreign exchange gain/loss, impairment losses/reversal of impairment losses and share option expenses. Non-HKFRS EBITDA is a non-HKFRS measure used by the management for monitoring the actual business performance of the Group. The Company considers that the non-HKFRS EBITDA can provide shareholders and potential investors of the Company with useful supplementary information on the performance of the Group's core operations. Foreign exchange gain/loss and share option expenses, if any, are considered not directly resulting from the actual business activities of the Group. They, together with the impairment losses/reversal of impairment losses, are non-cash items which we do not believe are reflective of the core operating performance of the Group. The non-HKFRS EBITDA may not be comparable to similar measures presented by other companies.

The Group's non-HKFRS EBITDA was approximately HK$785,000,000 for the six months ended 30th June, 2026, remained stable as compared with that of approximately HK$785,000,000 for the corresponding period last year.

Profit attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company was HK$226,174,000 for the six months ended 30th June, 2026, representing a decrease of 7.9% as compared with that of HK$245,510,000 for the corresponding period last year.

Excluding the net foreign exchange gain of HK$73,126,000 (six months ended 30th June, 2025: HK$126,756,000) and impairment losses of HK$316,000 (six months ended 30th June, 2025: HK$853,000), non-HKFRS profit attributable to owners of the Company would amount to HK$153,364,000 (six months ended 30th June, 2025: HK$119,607,000). The non-HKFRS profit attributable to owners of the Company is a non-HKFRS measure used by the management for monitoring the actual operating performance of the Group and may not be comparable to similar measures presented by other companies.

Net profit margin

For the six months ended 30th June, 2026, the net profit margin, representing a ratio of profit attributable to owners of the Company to turnover, was 3.7% (six months ended 30th June, 2025: 3.7%).

Earnings per share

The basic and diluted earnings per share attributable to the owners of the Company were HK8.27 cents and HK8.27 cents respectively for the six months ended 30th June, 2026, as compared with that of HK8.89 cents and HK8.89 cents respectively for the corresponding period last year.

The non-HKFRS basic and diluted earnings per share attributable to the owners of the Company (calculated by reference to the non-HKFRS profit attributable to owners of the Company which excludes the net foreign exchange gain/loss, impairment losses/reversal of impairment losses and share option expenses, if any, as the numerator) for the six months ended 30th June, 2026 were HK5.60 cents and HK5.60 cents (six months ended 30th June, 2025: HK4.33 cents and HK4.33 cents) respectively. The non-HKFRS basic and diluted earnings per share attributable to the owners of the Company are non-HKFRS measures used by the management for monitoring the actual operating performance of the Group and may not be comparable to similar measures presented by other companies.

Net assets value per share

The net assets value per share attributable to the owners of the Company was HK$2.94 as at 30th June, 2026, representing an increase of 10.1% as compared with that of HK$2.67 as at 31st December, 2025.

PROSPECTS

In the first half of 2026, geopolitical risks intensified and volatility in international oil and gas prices increased. Coupled with the impact of rising trade protectionism and diverging monetary policies among major economies, the momentum of the global economic recovery remained relatively weak. The domestic real estate market stabilized at a low level with limited sufficient momentum for a rebound. By combining with a sluggish recovery in household consumption, the overall recovery of domestic demand still required stronger policy support. At the industry level, the Chinese government continued to tighten safety regulatory requirements for gas pipeline networks and accelerated the implementation of the natural gas price linkage mechanism. While the gross profit margin of city gas suppliers saw a turning point toward recovery, fluctuations in upstream costs placed greater demands for timely responses on price adjustments. On the other hand, the domestic renewable energy market continued to expand more rapidly, with further increasing demand for clean energy including biomass power generation, creating a synergistic effect between favorable policies and market demand. Meanwhile, the accelerated penetration of artificial intelligence technologies brought new opportunities for digital and intelligent transformation to the energy sector. Facing with a business environment characterized by challenges and opportunities, the Group continued to focus on its core city gas business, strengthened the new development momentum of its smart energy business, and actively embraced digital and intelligent transformation. By leveraging operational resilience to navigate market fluctuations and driving profit growth through improved quality under management, the Group continued to advance toward high-quality development amid industry transformation.

The city gas business is the cornerstone of the Group's operations and the foundation of its development. In the first half of the year, the Group proactively responded to fluctuations in gas supply prices by promoting cost pass-through measures and optimizing its gas supply structure to curb cost volatility. In terms of market expansion, the Group seized the opportunity arising from the renovation of old residential communities, explored the application of natural gas in new scenarios, steadily expanded its presence in rural markets to meet energy needs for agricultural production, and capitalized on the resurgence of the "night economy" by expanding into night-time gas consumption scenarios such as dining districts and commercial complexes. At the same time, by creating value centered on customer needs, the Group achieved stable growth in its city gas business despite a complex and volatile external environment. In the second half of the year, the Group will further implement the upstream-downstream natural gas price linkage mechanism, seize opportunities arising from the renovation of aging pipeline networks, urban renewal, the night economy, and the rural market, and innovatively advance the development of commercial customers. Through refined management and targeted services, the Group will drive a steady growth in its core city gas business and continue to consolidate the foundation of its operations. For its value-added services, the Group will continue to focus on innovative businesses such as gas pipeline aesthetic upgrades, while actively developing new products in the safe kitchen series, such as AI-powered intelligent valves, to meet residential customers' aspiration for a high-quality lifestyle through a product portfolio that emphasizes safety, intelligence, and scenario-based applications. For the energy trading business, the Group will closely monitor market trends, thoroughly tap into downstream users' gas demand during peak-shaving, and flexibly utilize the "Pipeline Network Connect" products to launch gas storage and peak-shaving operations at appropriate times. In addition, the Group will continue to explore new opportunities in international LNG trading, expand its business scope when conditions are favorable, and further enhance the Group's overall competitiveness.

In the smart energy business, during the first half of the year, the Group continued to optimize its project portfolio and improve project operational efficiency, with various integrated energy projects maintaining steady growth. Meanwhile, the Group successfully completed the management integration of Guangdong Baojie Environmental Protection Technology Co., Ltd., which helped steadily advance the expansion of its biomass business and began to deliver initial results from its overseas expansion. In the second half of the year, the Group will leverage its full-industry-chain advantages accumulated in areas such as biomass gasification equipment, technological research and development ("R&D"), feedstock supply, and project operations to accelerate the expansion of its biomass business both domestically and internationally. We will expedite the development of the furnace application market, closely monitor the progress in expanding into the ASEAN market, and cultivate new growth drivers. At the same time, the Group will continue to refine its technology and product R&D systems to consolidate its leading position in the biomass energy sector. Furthermore, the Group will actively broaden its biomass feedstock supply channels, accelerate the construction of collection and storage centers across the country, and launch the development of an online feedstock trading platform to cultivate differentiated competitive advantages, thereby fostering a three-pronged core competitive barrier comprising advantages in "market + technology + supply chain."

In terms of ESG and sustainable development, the Group continued to deepen the full-chain integration of ESG principles and strategic operations, and achieved phased results in various initiatives during the first half of the year.

In the first half of the year, the Group strictly adhered to safety red lines, increased investment in pipeline network inspections and the renovation of aging facilities, leveraged digital and intelligent technologies to empower risk classification, management and control and potential hazard identification and remediation. It utilized ppb level gas leak detection technology to precisely identify hidden pipeline hazards. As a result, the Group maintained a stable safety production situation and effectively managed methane emissions. In the second half of the year, the Group will continue to optimize the working mechanisms for identifying and rectifying potential safety hazards, routinely conduct ppb-level gas leakage detection and refine management systems, actively organize emergency drills and specialized tests, and accelerate the application of AI technology in safety operations, thereby strengthening the foundation of safety through technology-driven approaches and meticulous management.

In terms of digital and intelligent development, in the first half of the year, the Group continued to advance the development of its smart operation platform, optimized the geographical information system of the gas pipeline network, and enhanced the visibility and safety management capabilities of pipeline assets. At the same time, the AI approval assistant was officially put into operation, providing intelligent support for compliance review and effectively improving decision-making efficiency. In addition, the Group actively promoted the digital and intelligent transformation, empowering core business modules such as finance, customers, engineering and supply chain to build solid support for refined management. In the second half of the year, the Group will accelerate the exploration of AI applications in business scenarios such as intelligent pipeline inspections, safety and emergency dispatch, customer profiling and analysis, scenario-based precision marketing, and supply chain forecasting, using the integration of digital and intelligent technologies to drive continuous improvements in operational efficiency and safety management and control standards.

In terms of human resources, in the first half of the year, adhering to the overarching goal of high-quality development, the Group continued to further improve the labor efficiency of all employees, put forth efforts to improve the cadre evaluation and dynamic management mechanism. It simultaneously introduced a number of cadre management optimization measures to systematically enhance the comprehensive quality of the cadre team. At the same time, based on the strategic demand, the Group systematically promoted the talent training plan and established a sustainable talent supply system. In the second half of the year, the Group will systematically improve the professional management and control level, introduce more competitive incentive measures, and build a multi-dimensional and comprehensive cadre evaluation system. It will prepare a new three-year plan for talent pipeline development, and restructure the job grading system. These efforts aim to fully stimulate the internal motivation for taking initiative and pursuing entrepreneurial endeavors, thereby achieving improvements in organizational effectiveness and talent value.

In the first half of the year, the Group deeply integrated the ESG principles into strategic decision-making and daily operations, continuously refined its ESG governance framework, and strengthened environmental performance management and information disclosure. At the same time, leveraging biomass energy supply projects, the Group successfully secured a green syndicated loan, broadening its financing channels and creating a virtuous cycle between industrial layout and green financing. In the second half of the year, the Group will comprehensively enhance its ESG governance level, improve risk identification and response mechanisms, deepen green finance cooperation, and optimize its capital structure. It will direct green financing precisely toward clean energy projects such as biomass energy supply, while continuing to strengthen cash flow and cost management to lay a solid foundation for green transformation and sustainable development.

Looking ahead, the Group will remain firmly committed to high-quality development, deepening the presence of its principal city gas business to consolidate the foundation for development. It will enhance the quality of the emerging biomass energy to steadily advance the transition toward integrated energy; prioritizing safe operations to safeguard the lifeline of its operation. It will invest in organizational development and digital and intelligent transformation to forge long-term competitive advantages. Additionally, it will earn customer trust through professional services and responding to market fluctuations with operational resilience. During this critical opportunity for transformation and reform in the energy sector, the Group will steadily set off a new journey of high-quality and sustainable development.

DISCLOSURE OF INTERESTS

(a) Interests of Directors

As at 30th June, 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (a) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules were as follows:

Long positions in the shares/underlying shares of the Company

Name of Directors	*Notes*	**Number of shares and/or underlying shares**	**Type of interests**	**Approximate shareholding interest percentage** *(Note 8)*
Mr. Wang Wenliang	*1*	800,225,206	Beneficial/Interest of controlled corporation/ Interest of spouse	29.59%
Mr. Yiu Chi Shing	*2*	188,000,000	Interest of controlled corporation	6.95%
Mr. Lui Siu Keung	*3*	19,002,179	Beneficial	0.70%
Mr. Jia Kun	*4*	7,055,031	Beneficial	0.26%
Mr. Peng Jun	*5*	396,000	Beneficial	0.01%
Mr. Li Chunyan	*6*	1,510,761	Beneficial	0.06%
Ms. Liu Yu Jie	*7*	502,900	Beneficial	0.02%

Notes:

1. Among these shares and/or underlying shares, 767,962,289 shares were held by Hezhong Investment Holding Company Limited ("Hezhong"). Mr. Wang Wenliang was beneficially interested in 51% of the issued share capital of Hezhong. The remaining 21,324,616 shares and 10,938,301 shares were directly held by Mr. Wang Wenliang and his spouse, Ms. Feng Haiyan, respectively.

2. These shares were held by Fundway International Investment Limited ("Fundway"). Mr. Yiu Chi Shing was beneficially interested in 100% of the issued share capital of Fundway.

3. These comprise 11,458,679 shares directly held by Mr. Lui Siu Keung and 7,543,500 underlying shares issuable upon exercise of the rights attaching to the 7,543,500 share options at an exercise price of HK$5.468 per share granted under the share option scheme.

4. These shares were directly held by Mr. Jia Kun.

5. These shares were directly held by Mr. Peng Jun.

6. These comprise 1,007,861 shares directly held by Mr. Li Chunyan and 502,900 underlying shares issuable upon exercise of the rights attaching to the 502,900 share options at an exercise price of HK$5.468 per share granted under the share option scheme.

7. These represent underlying shares issuable upon exercise of the rights attaching to the 502,900 share options at an exercise price of HK$5.468 per share granted under the share option scheme.

8. As at 30th June, 2026, the total number of issued shares (excluding treasury shares) of the Company was 2,704,805,157.

Save as disclosed above, as at 30th June, 2026, none of the Directors and chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Interests of substantial shareholders of the Company

So far as is known to the Directors, as at 30th June, 2026, the following entities (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in the shares of the Company

Name of shareholder	*Notes*	**Type of interests**	**Number of shares**	**Approximate shareholding interest percentage** *(Note 5)*
China Gas Holdings Limited	*1*	Interest of controlled corporation	973,520,000	35.99%
Hezhong	*2*	Beneficial	767,962,289	28.39%
Ms. Feng Haiyan	*3*	Beneficial/Interest of controlled corporation/Interest of spouse	800,225,206	29.59%
Fundway	*4*	Beneficial	188,000,000	6.95%

Notes:

1. According to the disclosure of interests filings as shown in the website of the Stock Exchange as at 30th June, 2026, China Gas Holdings Limited held these shares through Rich Legend International Limited ("Rich Legend"), its wholly-owned subsidiary, and is therefore deemed to be interested in the 973,520,000 shares held by Rich Legend.

2. Hezhong was beneficially interested in 767,962,289 shares. Mr. Wang Wenliang and Ms. Feng Haiyan were beneficially interested in 51% and 49% of the issued share capital of Hezhong, respectively .

3. Ms. Feng Haiyan, being the spouse of Mr. Wang Wenliang, directly held 10,938,301 shares and was deemed to be interested in 767,962,289 shares held by Hezhong and 21,324,616 shares directly held by Mr. Wang Wenliang under the SFO.

4. Fundway was beneficially interested in 188,000,000 shares. Mr. Yiu Chi Shing was beneficially interested in 100% of the issued share capital of Fundway.

5. As at 30th June, 2026, the total number of issued shares (excluding treasury shares) of the Company was 2,704,805,157.

Save as disclosed above, as at 30th June 2026, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 of the Listing Rules. During the period under review, the Company has complied with all the applicable code provisions under the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted and complied with the Model Code as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, they have all confirmed their compliance with the required standard of dealings and the Model Code regarding securities transactions by Directors adopted by the Company during the six months ended 30th June, 2026.

AUDIT COMMITTEE

The Company's Audit Committee, comprising Mr. Li Chunyan, Dr. Key Ke Liu and Ms. Liu Yu Jie, all being the independent non-executive Directors, has reviewed with the Company's management the accounting principles and practices adopted by the Group and financial reporting matters including a review of the unaudited consolidated results of the Group for the six months ended 30th June, 2026. There were no disagreements within the Audit Committee in relation to the accounting treatment adopted by the Company.

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

During the period ended 30th June, 2026, the Company repurchased on the Stock Exchange a total of 43,500,000 shares of the Company at a total consideration of HK$119,510,970. The repurchase of the Company's shares was made for the benefit of the shareholders with a view to enhancing the net asset value per share and earnings per share of the Company. Such repurchased shares were held as treasury shares. Details of the share repurchases are summarized as follows:

Month of repurchase	Total number of shares repurchased	Repurchased price per share		Aggregate consideration
		Lowest	**Highest**	
		(HK$)	*(HK$)*	*(HK$)*
April 2026	16,500,000	2.68	2.77	45,176,440
May 2026	17,000,000	2.67	2.88	46,981,880
June 2026	10,000,000	2.58	2.88	27,352,650

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30th June, 2026.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

This announcement is required to be published on the website of The Hong Kong Exchanges and Clearing Limited ("HKEX") at www.hkex.com.hk under "Latest Listed Company Information" and the Company at www.zhongyuenergy.com under "Announcements and Circulars" respectively. The interim report of the Company for the six months ended 30th June, 2026 will be published on the websites of the HKEX and the Company in September 2026.

SUPPLEMENTAL DISCLOSURES IN RELATION TO THE CHANGE OF AUDITOR

References are made to the announcement of the Company dated 28th May, 2026 (the "**Announcement**") and the circular of the Company dated 4th June, 2026 in relation to, among others, the proposed change of the Auditor, and the announcement of the Company dated 26th June, 2026 in relation to, among others, the approval of the appointment of Deloitte as the Auditor by the Shareholders at the AGM held on 26th June, 2026. Unless otherwise defined, the capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information contained in the Announcement, the Board hereby provides the following additional information in relation to the change of the Auditor.

Reasons for and benefits of the change of auditor

When recommending Deloitte as the new Auditor to the Board, the Audit Committee has considered a number of factors. In considering the audit proposals provided by KPMG and Deloitte, the Audit Committee has conducted a cost-effectiveness assessment, and considers that the change of Auditor would likely enhance the cost-effectiveness of the audit of the Company, notwithstanding that the proposed audit fees provided by KPMG are lower than that provided by Deloitte. In arriving at this conclusion, the Audit Committee has considered that, among other things, (i) the proposed fees of Deloitte remain broadly within the range of prevailing audit fees for comparable companies in the same industry; (ii) the proposed audit fees of Deloitte represents approximately 7% discount to the FY2024's final audit fees charged by Deloitte; (iii) it has been the experience of the Group that the audit fees proposed by Deloitte at the time of engagement have typically been close to the final fees charged to the Group; and (iv) the proposed audit fees of Deloitte has been determined after due consideration and arm's length negotiations between the Company and Deloitte, taking into account, among other things, the size, nature and complexity of the Group's business operations, the expected scope of the audit, the audit timetable, and the seniority and number of professional staff to be deployed.

Apart from enhancing the cost-effectiveness of the audit, as disclosed in the Announcement, the Audit Committee has also assessed and considered Deloitte to be independent, eligible and suitable to act as the Auditor. In arriving at such conclusion, the Audit Committee has considered, among other things, the following factors:

(i) **Industry knowledge and technical competence:** The Audit Committee understands that Deloitte has a wealth of experience in providing audit services to listed companies in the gas industry (i.e. the industry in which the Group operates) and provides long-term audit services to several leading gas industry companies listed in Hong Kong, with a more than 50% market share as auditor for such listed companies. Considering Deloitte's reputation, and based on the Company's previous working experience with Deloitte, the Audit Committee considers that Deloitte has extensive experience and technical expertise in handling audit work for listed companies in the gas industry. The Audit Committee is also satisfied that Deloitte is familiar with the requirements under the Listing Rules and HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee also noted from public information that Deloitte appears to have a broader and deeper exposure to large Hong Kong-listed gas companies, stronger sector-specific resources and a more established specialised team for the industry.

(ii) **Resources proposed to be allocated to the Group's audit and their capabilities:** Based on discussions with Deloitte, it is committed to allocating sufficient resources and time that are commensurate with the size and complexity of the Company to carry out the Company's audit engagement.

In addition, Deloitte's core execution team is based in Guangzhou, which is geographically convenient and well connected to the Group's core management team and finance team in Hong Kong, Shenzhen and Zhengzhou. Based on the Company's previous experience with Deloitte, Deloitte has adopted a proactive approach in identifying key audit issues at an early stage, discussing such issues with management on-site, and coordinating among the relevant audit teams in a timely manner. The Company and the Audit Committee consider that this approach is well suited to the Group's cross-border operations and should facilitate timely resolution of audit issues, if any, well in advance of the publication of the financial results.

(iii) **Deloitte's understanding of the Group's business operations and historical financial reporting:** Having served as the Auditor previously, Deloitte has accumulated extensive experience and knowledge regarding the Group's business model, management style, internal approval processes, the operating characteristics of China's urban gas industry, as well as the Group's historical financial practices and internal control systems. The Group is also well aware of Deloitte's capability and performance given prior working experience with Deloitte, and expects Deloitte's familiarity with the Group's operations should facilitate a smoother transition of the Auditor and more efficient audit work for the FY2026 audit.

(iv) **Independence:** Deloitte confirmed that it does not have any interest in the shares of the Company. In addition, as part of its internal rotation policy, Deloitte rotates the audit supervising partner(s) and relevant audit team members after serving the client for a prescribed period, subject to applicable professional requirements. Having regard to Deloitte's internal safeguards, professional standards and confirmation of independence, the Audit Committee is satisfied that Deloitte is able to exercise independent and professional judgment when conducting audit work for the Company, and that Deloitte's previous engagement as the Auditor will not impair its independence or objectivity in carrying out the audit of the Company.

Save as disclosed above, all information set out in the Announcement remains unchanged.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises of Mr. Wang Wenliang (Chairman), Mr. Yiu Chi Shing (Vice Chairman), Mr. Lui Siu Keung (Chief Executive Officer), Mr. Jia Kun (Executive President), Mr. Peng Jun and Mr. Wang Jichao as the executive Directors and Mr. Li Chunyan, Dr. Key Ke Liu and Ms. Liu Yu Jie, as the independent non-executive Directors.

By Order of the Board
ZHONGYU ENERGY HOLDINGS LIMITED
Wang Wenliang
Chairman

Hong Kong, 27th August, 2026