JY GAS LIMITED
交运燃气有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock code: 1407

2026

INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman and executive Director

Mr. Luan Xiaolong (Chief Executive Officer)

Executive Directors

Mr. Luan Linxin
Ms. Xu Huanxia

Non-executive Director

Mr. Lui Chun Pong

Independent non-executive Directors

Mr. Wei Yi
Mr. Tian Qiang
Ms. Liu Xiaoye

BOARD COMMITTEE

Audit Committee

Ms. Liu Xiaoye (Chairlady)
Mr. Tian Qiang
Mr. Wei Yi

Remuneration Committee

Mr. Tian Qiang (Chairman)
Mr. Wei Yi
Mr. Luan Xiaolong

Nomination Committee

Mr. Luan Xiaolong (Chairman)
Mr. Tian Qiang
Ms. Liu Xiaoye

Risk Management Committee

Ms. Liu Xiaoye (Chairlady)
Mr. Luan Xiaolong
Mr. Wei Yi

ESG Committee

Mr. Luan Xiaolong (Chairman)
Ms. Xu Huanxia
Mr. Wei Yi
Mr. Tian Qiang

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Palm Grove Unit 4, 265
Smith Road, George Town,
P.O. Box 52A Edgewater Way, #1653
Grand Cayman KY1-9006
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

3/F, Jiaoyun Group Building
No. 2568 Shi'an Road
Gaomi City
Weifang Municipality
Shandong Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

46/F., Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPANY'S WEBSITE

www.gmjytrq.com

JOINT COMPANY SECRETARIES

Mr. Zhang Yupeng
Ms. Ho Wing Nga *FCG HKFCG (PE)*

AUTHORIZED REPRESENTATIVES (UNDER THE LISTING RULES)

Mr. Luan Xiaolong
Ms. Ho Wing Nga

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

ICS Corporate Services (Cayman) Limited
Palm Grove Unit 4, 265
Smith Road, George Town,
P.O. Box 52A Edgewater Way, #1653 Grand
Cayman KY1-9006
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

PRINCIPAL BANKS

China Construction Bank Corporation,
Gaomi Branch
BANK OF RIZHAO CO., LTD, Gaomi Branch
Shandong Gaomi Rural Commercial
Bank Co., Ltd., Business Department

LEGAL ADVISORS TO OUR COMPANY

As to Hong Kong law:

Stephenson Harwood

As to Cayman Islands law:

Conyers Dill & Pearman

AUDITOR

BDO Limited
Certified Public Accountants
and Registered Public Interest Entity Auditor
25th Floor, Wing On Centre 111
Connaught Road Central
Hong Kong

STOCK CODE

1407

DATE OF LISTING

16 November 2022

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The PRC government continues to advance its national strategy of reducing air pollution and greenhouse gas emissions, with natural gas positioned as an important transitional fuel in the country's low carbon energy transformation. In line with China's dual carbon objectives of achieving carbon peaking and carbon neutrality, JY Gas Limited (the "**Company**", together with its subsidiaries, the "**Group**") expects national and provincial authorities to further strengthen policy support for low carbon and clean energy development. These measures are anticipated to sustain long-term growth in natural gas consumption.

In April 2026, Shandong Province implemented the provincial 15th Five-Year Energy Development Plan of Shandong Province (《山東省能源發展"十五五"規劃》) (the "**15th Plan**"), which sets out the "Four Reforms, One Cooperation" (四個革命、一個合作) new energy security strategy. This strategy promotes the large-scale development of clean energy alongside the clean and efficient use of fossil fuels in a coordinated manner. In addition, the Energy Administration of Shandong Province issued the Shandong Province 2026 High-level New Energy Consumption Action Plan (《山東省2026年新能源高水平消納行動方案》) (the "**Action Plan**"), introducing 22 measures across six key areas to support new energy consumption. The Action Plan emphasizes the importance of strategic planning, including the formulation of the 15th Plan and dedicated plans for renewable energy and electricity. These initiatives are expected to further strengthen the foundation for clean energy development and consumption in Shandong Province, thereby creating a favorable environment for the Group's business.

Guided by national and provincial policy directions, the Group will continue to strengthen its natural gas supply network and act as a reliable source of energy in Gaomi City, while contributing to the sustainable development of the Group's business.

DEVELOPMENT STRATEGY AND OUTLOOK

As Gaomi City's largest natural gas provider, the Group's business is supported by a strong customer base which grows steadily with the public's heightened awareness and increased adoption of clean energy.

The Group remains committed to improving the safety management of its natural gas operations by prioritizing investment in operational safety. In addition to conducting comprehensive safety inspections and strengthening technical capabilities, the Group will continue to promote and provide gas safety training and education to ensure that all personnel are equipped to support the safe use of natural gas by its customers.

Looking ahead, the Group will actively align with provincial and national energy strategies, further enhance its supply network and operational standards, and seize new opportunities arising from the accelerated development of clean energy and energy storage in Shandong Province.

BUSINESS REVIEW

The Group is a natural gas operator in Gaomi City, Weifang Municipality of Shandong Province, the PRC. The Group has an exclusive right under its concession agreement with Gaomi City Bureau of Municipal Affairs Administration to operate PNG sales and related businesses within a specified operating area which represents approximately 70% of the total administrative area of Gaomi City (the "**Operating Area**"). The concession has an effective term of 30 years until August 2039.

During the six months ended 30 June 2026 (the "**Period**"), the Group primarily generated revenue from its sale of natural gas in Gaomi City. The sale of PNG is its principal business. As at the end of the Period, the Group's customers of its sale of PNG business included (a) retail customers which comprised 162,398 active residential PNG end-users, 391 active industrial PNG end-users and 5,306 active commercial PNG end-users, representing a change of approximately 1.1%, 0% and 1.2% from that as at the year end of 2025; and (b) two wholesale customers, one of which is a natural gas refuelling station operator in Gaomi City and the other is a piped natural gas operator in Weifang City. The Group's sales volume of PNG was approximately 45.4 million m^3 for the Period, which remained relatively stable as compared to that for the six months ended 30 June 2025. As at the end of the Period, the Group's urban pipeline network was comprised of approximately 800.2 kilometres of completed mid-pressure pipelines.

While sale of PNG continues to be the Group's core business, it also engages in the sale of CNG and LNG at its CNG and LNG refuelling stations, the provision of construction and installation services, and the sale of gas-burning appliances.

In the first half of 2026, the Middle East military conflict has restricted maritime trades and disrupted global energy markets, which led to tightened supply of PNG. The Group procured more LNG in order to meet customer demands for natural gas, which led to higher procurement cost, and resulted in lower gross profit during the Period as compared to the corresponding period in 2025.

Moreover, the Group continued to be affected by the weak property market. A reduction in new property development and construction activities in Gaomi City led to decreased demand for construction and installation services and sale of gas-burning appliances, which are business segments with relatively higher profit margins for the Group.

SEGMENTAL ANALYSIS

1. PNG Sales

The Group supplies PNG to retail customers comprising residential, industrial and commercial PNG end-users, as well as wholesale customers. During the Period, the total revenue of the Group generated from its PNG sales business was RMB154.8 million, representing a decrease of 6.2% from RMB165.1 million for the corresponding period in 2025. The Group's sales volume of PNG was approximately 45.4 million m^3, which remained relatively stable as compared to 45.4 million m^3 for the corresponding period in 2025.

Sales to retail customers: Revenue generated from PNG sales to retail customers was RMB150.4 million for the Period, representing a decrease of 6.6% from RMB161.0 million for the corresponding period in 2025. During the Period, PNG sales to industrial PNG end-users accounted for the largest portion of the Group's total PNG sales. During the Period, PNG sales volume to the Group's industrial, residential and commercial PNG end-users was 21.8 million m^3, 20.1 million m^3 and 1.8 million m^3, respectively, accounting for approximately 49.9%, 46.0% and 4.1% of the Group's total PNG sales volume to retail customers. Comparatively, for the corresponding period in 2025, PNG sales volume to industrial, residential and commercial PNG end-users was 21.8 million m^3, 20.3 million m^3 and 2.0 million m^3, respectively, representing approximately 49.5%, 46.0% and 4.5% of the Group's total PNG sales volume to retail customers.

During the Period, PNG sales to industrial end-users accounted for the largest portion of the Group's total PNG sales to retail customers. The PNG sales volume to industrial and residential end-users remained stable, while that to commercial end-users decreased slightly, as compared to the corresponding period in 2025. Due to the downward adjustment of PNG selling price for industrial and commercial PNG end-users in accordance with applicable government guidance since the winter season of 2025–2026, lower revenue was generated from PNG sales to retail customers as compared to the corresponding period in 2025.

Sales to our wholesale customer: Revenue generated from PNG sales to our wholesale customers was RMB4.4 million for the Period, representing an increase of 10.0% from RMB4.0 million as compared to the corresponding period in 2025. During the Period, PNG sales volume to our wholesale customers was 1.7 million m^3, representing an increase of 21.4% from 1.4 million m^3 as compared to the corresponding period in 2025. The aforementioned increase in revenue generated from the Group's PNG sales to wholesale customers was mainly due to an increase in sales volume, which was partially offset by the downward adjustment in PNG selling prices.

2. CNG and LNG Sales

The Group supplies CNG and LNG to vehicle users at its CNG and LNG refuelling stations in Gaomi City. During the Period, revenue of the Group generated from its CNG and LNG sales business was RMB4.3 million, representing a decrease of 40.7% from RMB7.3 million for the corresponding period in 2025. Such decrease was mainly due to (i) the increasing popularity of electric vehicles as a result of its low charging costs, thereby leading to fewer use of CNG and LNG vehicles as a whole; and (ii) the Group's closure of another one of its gas refuelling stations in the second half of 2025 due to high procurement and management costs and a low gross profit margin.

3. Construction and Installation Services

The Group provides construction and installation services to property developers, residential PNG end-users and non-residential PNG end-users. During the Period, revenue of the Group generated from its construction and installation services was RMB3.4 million, representing a decrease of 39.9% as compared to RMB5.7 million for the corresponding period in 2025. Such decrease was primarily attributable to (i) minimal installation work carried out during the Period, as the clean energy projects all completed in 2025; and (ii) less construction and delivery of new properties as a result of the weak property market in Gaomi City.

4. Sale of Gas-burning Appliances

The Group sells gas-burning appliances such as gas stoves, wall-hung gas boilers and water heaters, primarily to property owners and property occupiers. During the Period, revenue of the Group generated from its sale of gas-burning appliances was RMB0.5 million, representing a decrease of 77.0% as compared to RMB2.0 million for the corresponding period in 2025. Such decrease was primarily attributable to a decrease in demand for installation of gas stoves and wall-hung gas boilers as (i) the clean energy projects all completed in 2025; and (ii) less delivery of new properties as a result of the weak property market in Gaomi City.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Period was RMB163.0 million, representing a decrease of 9.5% as compared to RMB180.2 million for the corresponding period in 2025. Such decrease was due to the decrease in revenue from PNG, mainly due to the decrease in PNG selling prices and also from the drop in the Group's sale of CNG and LNG, sale of gas-burning appliances and the construction and installation services for reasons as mentioned above.

Gross Profit

The Group's gross profit for the Period was RMB21.8 million, representing a decrease of 23.9% as compared to RMB28.6 million for the corresponding period in 2025. The Group's gross profit margin decreased to 13.4% for the Period from 15.9% for the corresponding period in 2025, primarily attributable to lower revenue generated as a whole and higher PNG procurement costs as a result of the Middle East military conflict abovementioned.

Administrative expenses

The Group's administrative expenses for the Period was RMB9.8 million, representing a decrease of 13.5% as compared to RMB11.3 million for the corresponding period in 2025, primarily attributable to lower professional service fees incurred during the Period.

Provision of net impairment losses on financial assets

The Group recorded a provision of net impairment losses on financial assets of RMB147,000 during the Period, representing a decrease of 17.9% as compared to RMB179,000 for the corresponding period in 2025. This was primarily due to the completion of all clean energy projects in 2025, which resulted in a slow down of the increase in trade receivables when compared to the corresponding period in 2025.

Other Income

The Group's other income for the Period was RMB2.7 million, representing an increase of 49.6% as compared to RMB1.8 million for the corresponding period in 2025. This was primarily because the Group received rental payment for certain properties leased to third parties.

Other gains/(losses), net

The Group recorded other net losses for the Period amounting to RMB98,000, as compared to other net gains of RMB794,000 for the corresponding period in 2025. This was primarily due to an asset loss arising from the disposal of an unused compressor and system.

Finance Costs

The Group's finance costs for the Period were RMB1.6 million, which remained stable as compared to RMB1.6 million for the corresponding period in 2025.

Income Tax Expense

The Group's income tax expense for the Period was RMB3.9 million, representing a decrease of 21.4% as compared to RMB5.0 million for the corresponding period in 2025. Such decrease was primarily attributable to a decrease in the Group's profit before income tax. The effective tax rate for the Period was 30.2% (the effective tax rate for the corresponding period in 2025 was 27.1%).

Profit Attributable to Owners of the Company

Profit attributable to owners of the Company for the Period was RMB8.8 million, representing a decrease of 33.0% as compared to RMB13.1 million for the corresponding period in 2025, which was mainly due to a decrease in the Group's revenue and the gross profit as mentioned above.

Trade and Other Receivables

The Group's trade and other receivables was RMB87.6 million as at 30 June 2026, representing a decrease of 5.9% as compared to RMB93.1 million as at 31 December 2025, which was mainly due to the repayment of other receivables (comprising of rent in respect of certain properties leased by the Group) from a related party.

Trade and Other Payables

The Group's trade and other payables was RMB69.5 million as at 30 June 2026, representing an increase of 7.9% as compared to RMB64.4 million as at 31 December 2025, which was mainly due to the increase in dividends payable.

Liquidity and Financial Position

The Group's current assets amounted to RMB332.4 million as at 30 June 2026, representing a decrease of 1.6% as compared to RMB337.8 million as at 31 December 2025. As at 30 June 2026, the Group's cash and bank balances amounted to RMB232.1 million.

As at 30 June 2026, the current ratio (current assets/current liabilities) of the Group was 156.3% (as at 31 December 2025: 148.8%) and the debt ratio of the Group (total liabilities/total assets) was 41.1% (as at 31 December 2025: 43.0%). As at 30 June 2026, the Group's utilised bank loans amounted to RMB66.8 million, all of which were denominated in RMB, bearing an annual interest rate of 4.4%. As at 30 June 2026, the Group had no unutilised bank credit. As at 30 June 2026, the Group had lease liabilities of RMB2.2 million, of which RMB0.5 million is analysed as current portion, and RMB1.7 million is analysed as non-current portion.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The gearing ratio of the Group was 20.7% as at 30 June 2026 (as at 31 December 2025: 21.3%). The ratio was calculated by dividing total debt (borrowings and lease liabilities) by total equity as at the end of the relevant year. As at 30 June 2026, the Group maintained a net cash position. The Group has maintained a strong cash position and expects its cash and bank balances, and cash generated from operations, to be adequate to meet its working capital requirements.

Exchange Rate Fluctuation Risk

While the Group's businesses are principally denominated in RMB, it has certain deposits denominated in Hong Kong dollars which expose it to exchange rate fluctuation risk. Currently, the Group does not have any hedging policy on foreign currency. The Group's management will closely monitor the exchange rate fluctuation risk and take appropriate measures such as hedging measures to control the exchange rate fluctuation risk when necessary.

Contingent Liabilities

As at 30 June 2026, the Group had no material contingent liabilities.

Financial Guarantee Obligations

As at 30 June 2026, the Group had no material financial guarantee obligations.

Pledge of Assets

As at 30 June 2026, the Group had not pledged any assets (as at 31 December 2025: nil).

Charge of Assets

As at 30 June 2026, the Group had no charge on assets.

Significant Investment

During the Period, the Group did not hold any significant investment. As of 30 June 2026, the Group did not have future plans for material investments and capital assets.

Material Acquisition and Disposal

During the Period, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Acquisition of Capital Assets

As at the date of this interim report, the Group did not have future plans for material investments or capital assets that were approved by the Board.

Human Resources and Employee Compensation

As at 30 June 2026, the Group employed a total of 142 employees in the PRC (as at 31 December 2025: 151). During the Period, the total employee costs of the Group were RMB6.9 million. The Group manages its personnel actively, including but not limited to providing training on relevant policies and regulations, safety management and professional knowledge in order to improve management skills, strengthen employees' professional skills and enhance the competitiveness of the Group.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for the Group's strategy or direction from time to time can be met.

NO MATERIAL CHANGES

Save as disclosed in this interim report, there has been no material change in the business of the Group since the publication of the last annual report of the Company that needs to be disclosed under the Listing Rules.

EVENTS AFTER THE PERIOD

Save as disclosed in this interim report, there are no events causing material impact on the Group from the end of the Period to the date of this interim report.

MATERIAL LITIGATION

The Company was not involved in any material litigation or arbitration during the Period. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Period and up to the date of this interim report.

NET PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on 16 November 2022, with a total of 110,000,000 Shares issued pursuant to the global offering of Shares ("**Global Offering**"). After deducting the underwriting fees and relevant expenses, net proceeds from the Global Offering (the "**Net Proceeds**") amounted to approximately HK$111.6 million (equivalent to RMB101.2 million). The following table sets out the intended use and actual use of the Net Proceeds as at 30 June 2026:

			Net Proceeds from the Global Offering		
Designated use of Net Proceeds	**% of Net Proceeds**	**Allocated amount** *(RMB million)*	**Utilised** *(RMB million)*	**Unutilised** *(RMB million)*	**Expected to be utilised prior to the following date**
Expanding the sale of PNG business through construction of new mid-pressure pipelines of approximately 101.0 km in the Operating Area	48.5%	49.1	45.64	3.46	By the end of 2026
Upgrading approximately 43.4 km of the urban pipeline network	20.5%	20.7	18.88	1.82	By the end of 2026
Replacing existing gas meters with Goldcard Meters for over 19,500 households in the Operating Area	6.9%	7.0	7.0	–	–
Construction of an aggregate of approximately 18.0 km PNG end-user pipelines that connect the urban pipeline network for implementing the Clean Energy Projects to serve over 5,500 households in the Operating Area	14.1%	14.3	14.3	–	–
Working capital and other general corporate purposes	10.0%	10.1	9.63	0.47	By the end of 2026

As at the date this interim report, the unutilised Net Proceeds are deposited in an interest-bearing account opened with a licensed bank.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high corporate governance standards to safeguard the interests of its stakeholders. The Company has applied the principles in the Corporate Governance Code ("**CG Code**") in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") by conducting its business by reference to the principles of the CG Code and emphasising such principles in the Company's governance framework. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code (as amended from time to time) during the Period, save for the deviations from Code Provisions C.1.7 and C.2.1 discussed below.

Pursuant to code provision C.1.7 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Company has not arranged any insurance cover in respect of any potential legal action against the Directors. Given the nature of the Company's business, the Directors believe that the likelihood of legal actions against the Directors is very slight, and the Company can still achieve adequate corporate governance through various management and monitoring mechanisms so as to reduce risk, including periodic reviews on the effectiveness of the Company's internal control system, clear division of duties and training for staff and management. The Board will review, on a regular basis, whether it is necessary to arrange insurance cover in respect of potential legal action against the Directors.

Pursuant to Code Provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and chief executive officer and Mr. Luan Xiaolong currently assumes both roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and the three independent non-executive Directors. The Board will continue to review the effectiveness of the corporate governance structure of the Group and consider segregating the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules as the code of conduct for the Directors and relevant employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. Having made specific enquires with each Director, the Company confirmed that the Directors had complied with the required standard as set out in the Model Code during the six months ended 30 June 2026. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company during six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined under the Listing Rules)) during the Period. As at 30 June 2026, the Company did not hold any treasury shares (as defined under the Listing Rules), and no Shares have been repurchased but pending cancellation.

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

There was no controlling shareholder (as defined under the Listing Rules) of the Company pledging any of its shares in the Company to secure the Company's debts or to secure guarantees or other support of the Company's obligations during the Period.

CHANGES IN THE INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE AND SENIOR MANAGEMENT OF THE COMPANY

Pursuant to Rule 13.51B(1) of the Listing Rules, saved as disclosed in this interim report, there are no changes in information of the Directors subsequent to the date of the 2025 Annual Report of the Company and up to the date of this interim report were required to be disclosed.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures (the "**Debentures**") of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or pursuant to the Model Code in Appendix C3 to the Listing Rules were as follows:

Interests in Shares and underlying Shares			
Name of Director or chief executive	Capacity and nature of interest	Number of Shares held	Approximate percentage of the interest in the Company's issued share capital [1]
Mr. Luan Xiaolong	Interest in a controlled corporation [3]	217,800,000 (L) [2]	49.50%
Ms. Xu Huanxia	Interest in a controlled corporation [4]	110,000,000(L) [2]	25.00%

Notes:

1. The approximate percentage of the interest in the Company's issued share capital is based on a total of 440,000,000 Shares of the Company in issue as at 30 June 2026.

2. The letter "L" denotes the person's long position in the shares.

3. SEGM Holding Limited ("**SEGM Holding**") is wholly-owned by SDJY Holding Limited ("**SDJY Holding**"), which is in turn wholly-owned by Mr. Luan Xiaolong. Therefore, by virtue of the SFO, both SDJY Holding and Mr. Luan Xiaolong are deemed to be interested in 33,000,000 Shares held by SEGM Holding. LXL Phoenix Limited ("**LXL Phoenix**") is wholly-owned by Mr. Luan Xiaolong. Under the SFO, Mr. Luan Xiaolong is deemed to be interested in 184,800,000 Shares held by LXL Phoenix. Mr Luan Xiaolong is deemed, or taken to be interested, in all the Shares held by LXL Phoenix and SEGM Holding (through SDJY Holding) for the purpose of the SFO.

4. Huiguo Energy Technology Limited ("**Huiguo Energy**"), with 99% of its shareholding held by Ms. Xu Huanxia. Under the SFO, Ms. Xu Huanxia is deemed to be interested in 110,000,000 Shares in the Company held by Huiguo Energy.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company or their associates had any interests or short positions in any Shares, underlying Shares and Debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 the Directors and chief executive were deemed or taken to have under the provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

So far as is known to any Directors or chief executive of the Company, as at 30 June 2026, other than the interests and short positions of the Directors or chief executive of the Company as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures" above, the following persons had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the Shares

Name of Shareholder	Capacity and nature of interest	Number of Shares held	Approximate percentage of the interest in the Company's issued share capital [7]
Mr. Luan Xiaolong [1], [2], [3]	Interest in a controlled corporation	217,800,000 (L) [6]	49.50%
LXL Phoenix [1]	Beneficial owner	184,800,000 (L) [6]	42.00%
SDJY Holding [2]	Interest in a controlled corporation	33,000,000 (L) [6]	7.50%
SEGM Holding [2]	Beneficial owner	33,000,000 (L) [6]	7.50%
Zhou Zhan ("**Ms. Zhou**") [3]	Interest of spouse	217,800,000 (L) [6]	49.50%
Huiguo Energy [4]	Beneficial owner	110,000,000(L) [6]	25.00%
Xu Huanxia [4]	Interest in a controlled corporation	110,000,000(L) [6]	25.00%
Kingston Finance Limited [5]	Interest in a controlled corporation	327,800,000 (L) [6]	74.50%
Ample Cheer Limited [5]	Person having a security interest in shares	327,800,000 (L) [6]	74.50%
Chu Yuet Wah [5]	Interest in a controlled corporation	327,800,000 (L) [6]	74.50%

Notes:

1. LXL Phoenix is wholly-owned by Mr. Luan Xiaolong. Therefore, LXL Phoenix is a controlled corporation of Mr. Luan Xiaolong and Mr. Luan Xiaolong is deemed to be interested in the same number of Shares that LXL Phoenix is interested in under the SFO.

2. SEGM Holding is wholly-owned by SDJY Holding, which is in turn wholly-owned by Mr. Luan Xiaolong. Therefore, by virtue of the SFO, both SDJY Holding and Mr. Luan Xiaolong are deemed to be interested in the same number of Shares held by SEGM Holding.

3. Ms. Zhou is the spouse of Mr. Luan Xiaolong. Under the SFO, Ms. Zhou is deemed to be interested in the same number of Shares in which Mr. Luan Xiaolong is interested.

4. Huiguo Energy with 99% of its shareholding held by Ms. Xu Huanxia. Therefore, Ms. Xu Huanxia is deemed to be interested in the same number of Shares that held by Huiguo Energy is interested in under the SFO.

5. Kingston Finance Limited is wholly owned by Ample Cheer Limited, which is in turn wholly owned by Ms. Chu Yuet Wah. Therefore, Ms. Chu is deemed to be interested in the same number of Shares that held by Kingston Finance Limited is interested in under the SFO.

6. The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.

7. The approximate percentage of the interest in the Company's issued share capital is based on a total of 440,000,000 Shares of the Company in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Company had not been notified of any entities/persons (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company established the audit committee with written terms of reference in compliance with the Listing Rules and the CG Code (the "**Audit Committee**"). As at the date of this interim report, the Audit Committee consists of three independent non-executive Directors, namely Ms. Liu Xiaoye, Mr. Wei Yi and Mr. Tian Qiang. The chairlady of the Audit Committee is Ms. Liu Xiaoye.

The Audit Committee has discussed with the management the accounting principles and policies adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2026. The Audit Committee has agreed with the management of the Company on the interim result of the Group for the Period.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Unaudited Six months ended 30 June 2026 *RMB'000*	 2025 *RMB'000*
Revenue	6(a)	**163,030**	180,185
Cost of sales	7	**(141,259)**	(151,591)
Gross profit		**21,771**	28,594
Administrative expenses	7	**(9,800)**	(11,326)
Provision of net impairment losses on financial assets		**(147)**	(179)
Other income		**2,677**	1,789
Other gains/(losses), net		**(98)**	794
Operating profit		**14,403**	19,672
Finance income	8	**78**	290
Finance costs	8	**(1,553)**	(1,591)
Finance income and costs, net	8	**(1,475)**	(1,301)
Profit before income tax		**12,928**	18,371
Income tax expense	9	**(3,907)**	(4,972)
Profit and total comprehensive income for the period		**9,021**	13,399
Profit and total comprehensive income attributable to:			
Owners of the Company		**8,784**	13,101
Non-controlling interests		**237**	298
		9,021	13,399
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	10	**0.02**	0.03

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2026

	Note	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Assets			
Non-current assets			
Property, plant and equipment	11	**140,466**	145,048
Right-of-use assets	12	**6,382**	6,333
Investment properties	13	**72,131**	72,131
Intangible assets		**5,676**	5,910
Trade receivables	16	**5,596**	6,492
Other non-current assets	15	**4,370**	4,370
		234,621	240,284
Current assets			
Inventories	18	**7,717**	8,021
Contract assets	6(b)	**2,398**	3,543
Trade and other receivables	16	**81,972**	86,570
Prepayments and other current assets	17	**8,243**	18,253
Cash and bank balances		**232,072**	221,396
		332,402	337,783
Total assets		**567,023**	578,067

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2026

	Note	**Unaudited 30 June 2026** ***RMB'000***	Audited 31 December 2025 *RMB'000*
Equity			
Share capital		**310**	310
Share premium and reserves		**131,950**	134,541
Retained earnings		**184,707**	177,505
Equity attributable to owners of the Company		**316,967**	312,356
Non-controlling interests		**17,221**	16,984
Total equity		**334,188**	329,340
Liabilities			
Non-current liabilities			
Lease liabilities	21	**1,680**	1,731
Trade payables	19	**1,964**	2,973
Borrowings	20	**8,500**	9,010
Deferred income tax liabilities		**8,008**	8,054
		20,152	21,768

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2026

	Note	**Unaudited 30 June 2026 *RMB'000***	Audited 31 December 2025 *RMB'000*
Current liabilities			
Trade and other payables	19	**67,503**	61,428
Contract liabilities	6(b)	**81,223**	95,772
Current income tax liabilities		**5,062**	10,279
Borrowings	20	**58,351**	59,280
Lease liabilities	21	**544**	200
		212,683	226,959
Total liabilities		**232,835**	248,727
Total equity and liabilities		**567,023**	578,067

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

The interim condensed financial information from pages 18 to 54 was approved and authorised by the Board of Directors on 25 August 2026 and was signed on its behalf by:

Luan Xiaolong
Chairman and executive director

Luan Linxin
Executive director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Unaudited						
		Attributable to owners of the Company						
	Note	Share capital *RMB'000*	Share premium *RMB'000*	Reserves *RMB'000*	Retained earnings *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 31 December 2025		310	210,669	(76,128)	177,505	312,356	16,984	329,340
Comprehensive income								
Profit for the period		–	–	–	8,784	8,784	237	9,021
Total comprehensive income		–	–	–	8,784	8,784	237	9,021
Transactions with owners in their capacity as owners								
Appropriation to statutory reserve		–	–	975	(975)	–	–	–
Appropriation to safety fund		–	–	1,807	(1,807)	–	–	–
Utilisation of safety fund		–	–	(1,200)	1,200	–	–	–
Dividends declared	22	–	(4,173)	–	–	(4,173)	–	(4,173)
Total transactions with owners in their capacity as owners		–	(4,173)	1,582	(1,582)	(4,173)	–	(4,173)
Balance at 30 June 2026		310	206,496	(74,546)	184,707	316,967	17,221	334,188

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Unaudited						
		Attributable to owners of the Company						
	Note	Share capital *RMB'000*	Share premium *RMB'000*	Reserves *RMB'000*	Retained earnings *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 31 December 2024		310	225,899	(80,555)	152,330	297,984	15,962	313,946
Comprehensive income								
Profit for the period		–	–	–	13,101	13,101	298	13,399
Total comprehensive income		–	–	–	13,101	13,101	298	13,399
Transactions with owners in their capacity as owners								
Appropriation to statutory reserve		–	–	1,377	(1,377)	–	–	–
Appropriation to safety fund		–	–	1,835	(1,835)	–	–	–
Utilisation of safety fund		–	–	(2,219)	2,219	–	–	–
Dividends declared	22	–	(15,230)	–	–	(15,230)	–	(15,230)
Total transactions with owners in their capacity as owners		–	(15,230)	993	(993)	(15,230)	–	(15,230)
Balance at 30 June 2025		310	210,669	(79,562)	164,438	295,855	16,260	312,115

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cash flows from operating activities		
Cash generated from/(used in) operations	**13,744**	(4,067)
Interest received	**46**	81
Income tax paid	**(9,170)**	(4,364)
Net cash inflow/(outflow) from operating activities	**4,620**	(8,350)
Cash flows from investing activities		
Payments for property, plant and equipment	**(1,488)**	(3,433)
Proceeds from disposal of property, plant and equipment	**67**	–
Repayments from a related party	**10,400**	–
Net cash inflow/(outflow) from investing activities	**8,979**	(3,433)
Cash flows from financing activities		
Proceeds from borrowings	**8,680**	39,490
Repayments of borrowings	**(10,100)**	(30,500)
Withdrawal of bank deposits	**–**	15,000
Interest paid	**(1,503)**	(1,528)
Net cash (outflow)/inflow from financing activities	**(2,923)**	22,462
Net increase in cash and cash equivalents	**10,676**	10,679
Cash and cash equivalents at beginning of the period	**221,246**	209,010
Cash and cash equivalents at end of the period	**231,922**	219,689
Analysis of the balance of cash and cash equivalents		
Cash at banks and on hand (excluding restricted cash and bank deposits with original maturities over three months)	**231,922**	219,689

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1 General information

JY GAS LIMITED (the "**Company**") was incorporated in the Cayman Islands on 9 March 2021 as an exempted company with limited liability under the Companies Act (Cap.22, Act 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Palm Grove Unit 4, 265 Smith Road, George Town, P. O. Box 52A Edgewater Way, #1653, Grand Cayman KY1-9006, Cayman Islands.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 16 November 2022.

The Group is principally engaged in the sale of natural gas, mainly piped natural gas ("**PNG**"), compressed natural gas ("**CNG**") and liquefied natural gas ("**LNG**"), the provision of construction and installation services and the sale of gas-burning appliances in Gaomi City, Shandong Province, the People's Republic of China (the"**PRC**").

These interim condensed consolidated financial information is presented in Renminbi Yuan ("**RMB**"), unless otherwise stated.

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 has not been audited. The interim condensed consolidated financial information have been approved for issue by the Board of Directors on 25 August 2026.

2 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34. This interim condensed consolidated financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, the interim condensed consolidated financial information should be read in conjunction with the annual report for the year ended 31 December 2025, which has been prepared in accordance with HKFRS Accounting Standards ("**HKFRS**"), and any public announcements made by the Company during the interim reporting period.

The preparation of this interim condensed consolidated financial information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial information, are disclosed in Note 4 below.

3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025 as described in those annual financial statements except for the adoption of new and amended standards as set out below. Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected total earnings.

(a) New and amended standards adopted by the Group

The following amended standards are mandatory for the first time for the Group's financial year beginning on 1 January 2026 and are applicable for the Group:

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

Amendments to HKFRS effective for the financial year beginning on 1 January 2026 do not have a material impact on the Group's interim financial information.

(b) Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

	New standards, amendments and interpretations	Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	1 January 2027
HKFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

4 Critical accounting estimates and judgements

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025, except for the adoption of new and amended standards as set out above.

5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are managed by the Group's financial management policies and practices.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2025.

There have been no changes in the risk management or any risk management policies since the year end.

5.2 Fair value estimation

(a) Financial assets and liabilities

The carrying amount of the Group's financial assets and liabilities, including cash and cash equivalents, restricted bank deposits, trade and other receivables, and trade and other payables and borrowings approximate their fair values, which either due to their short-term maturities, or that they are subject to floating rates.

5 Financial risk management (continued)

5.2 Fair value estimation (continued)

(b) Non-Financial assets and liabilities

As certain of significant inputs used in the determination of fair value of investment properties are arrived at by reference to certain significant unobservable market data, the fair value of investment properties of the Group are included in level 3 of the fair value measurement hierarchy as follows.

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
As at 30 June 2026 (unaudited)				
– Investment properties	**–**	**–**	**72,131**	**72,131**
As at 31 December 2025				
– Investment properties	–	–	72,131	72,131

(c) Fair value measurements using significant unobservable inputs (level 3)

The movements in the level 3 investments properties during the six months ended 30 June 2026 and 2025 are presented in Note 13.

5 Financial risk management (continued)

5.2 Fair value estimation (continued)

(d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

1) Direct comparison approach

	Fair value As at 30 June 2026 *RMB'000*	Fair value As at 30 June 2025 *RMB'000*	Significant unobservable inputs	Range of inputs As at 30 June 2026	Range of inputs As at 30 June 2025	Relationship of unobservable inputs to fair value
Investment properties (for retail/wholesale outlets)	**64,900**	68,200	Supplementary land price (RMB)	**263/m²**	189/ m²	The higher supplementary land price, the lower fair value
			Adjustments ratio for difference in			
			– location	**8% to 14%**	13%-29%	The lower adjustments factor, the higher fair value
			– floor	**80% to 100%**	80% to 100%	The higher adjustments factor, the higher fair value
			– price after adjustments for valuation date (RMB)	**4,243/m²**	4,240/ m²	The lower adjustments factor, the lower fair value

5 Financial risk management (Continued)

5.2 Fair value estimation (Continued)

(d) Valuation inputs and relationships to fair value (Continued)

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements (continued):

2) *Income approach*

The following table shows the significant unobservable inputs used in the fair value estimate of the investment properties (for CNG and LNG refueling stations).

Significant unobservable inputs	Relationship with fair value	At as 30 June 2026	At as 30 June 2025
Income capitalization rate	Inverse	6%	N/A
Expected occupancy	Positive	Fully occupied	N/A
Rental growth	Positive	3%	N/A

The higher the income capitalisation rate, the lower the fair value. The higher the occupancy and rental growth, the higher the fair value.

6 Revenue and segment information

The Company's executive directors are the Group's chief operating decision maker ("**CODM**"). The CODM reviews the performance of the Group on a regular basis.

As substantial business operations of the Group relate to the sale of piped natural gas, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide consolidated financial information. Accordingly, there is only one single operating segment for the Group qualified as reportable segment under HKFRS 8 "Operating Segments". No separate segmental analysis is presented in the interim condensed consolidated financial information. The Group's total revenues are all from domestic customers in the PRC. Accordingly, no geographical information is presented.

6 Revenue and segment information (Continued)

(a) Revenue from external customers

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Revenue recognised at a point in time:		
Revenue from PNG sales	**154,761**	165,067
Revenue from CNG and LNG sales	**4,349**	7,330
Revenue from sales of gas-burning appliances	**471**	2,046
	159,581	174,443
Revenue recognised over time:		
Revenue from construction and installation services	**3,449**	5,742
Total	**163,030**	180,185

During the six months ended 30 June 2026 and 2025, no revenue derived from transactions with a single customer representing 10% or more of the Group's total revenue.

6 Revenue and segment information (Continued)

(b) Contract assets and Contract liabilities

The Group has recognised the following assets and liabilities related to contract with customers:

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Contract assets		
Construction and installation services	**2,398**	3,543
Contract liabilities		
PNG sales	**76,151**	92,372
Construction and installation services	**4,005**	2,440
CNG and LNG sales	**1,067**	960
	81,223	95,772

Contract liabilities of the Group mainly represent the payments received in advance from customers while the underlying goods or services are yet to be delivered by the Group.

Revenue recognised that was included in the contract liabilities balance at the beginning of the period:

	Unaudited As at 30 June	
	2026 *RMB'000*	2025 *RMB'000*
PNG sales	**59,078**	87,175
Construction and installation services	**2,440**	5,742
CNG and LNG sales	**960**	1,286
	62,478	94,203

7 Expenses by nature

Expenses included in cost of sales and administrative expenses are analysed as follows:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cost of natural gas (Note 18)	**129,154**	138,613
Materials used in construction and installation services (Note 18)	**72**	100
Cost of gas-burning appliance sold (Note 18)	**392**	924
Employee benefit expenses	**6,947**	6,337
Depreciation and amortisation		
– Property, plant and equipment (Note 11)	**5,767**	5,898
– Right-of-use assets (Note 12)	**281**	169
– Intangible assets	**234**	234
Taxes and surcharges	**650**	372
Repairs and maintenance costs	**1,880**	1,998
Utility costs	**255**	395
Vehicle costs	**118**	218
Outsourced construction labour cost	**3,129**	3,081
Other expenses	**2,180**	4,578
Total cost of sales and administrative expenses	**151,059**	162,917

8 Finance income and costs, net

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income:		
– Bank deposits	**46**	81
– Imputed interest income on trade receivables	**32**	209
Total finance income	**78**	290
Interest expense:		
– Bank borrowings	**(1,484)**	(1,527)
– Interest expense on lease liabilities (Note 21(b))	**(69)**	(64)
Total finance costs	**(1,553)**	(1,591)
Finance income and costs, net	**(1,475)**	(1,301)

9 Income tax expense

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax:		
– PRC enterprise income tax	**3,953**	5,002
– Deferred income tax	**(46)**	(30)
	3,907	4,972

10 Earnings per share

Basic earnings per share for the six months ended 30 June 2026 and 2025 are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

	Unaudited Six months ended 30 June	
	2026	2025
Profit attributable to owners of the Company (RMB'000)	**8,784**	13,101
Weighted average number of issued ordinary shares	**440,000,000**	440,000,000
Basic earnings per share (expressed in RMB per share)	**0.02**	0.03

As the Company has no dilutive instruments during the six months ended 30 June 2026 (six months ended 30 June 2025: nil), the Group's diluted earnings per share equals to its basic earnings per share.

11 Property, plant and equipment

	Buildings *RMB'000*	Gas pipelines *RMB'000*	Machinery and equipment *RMB'000*	Motor vehicles, furniture and fittings *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
As at 1 January 2026						
Cost	15,188	204,729	28,385	4,390	130	252,822
Accumulated depreciation	(8,950)	(71,537)	(24,493)	(2,794)	–	(107,774)
Net book amount	6,238	133,192	3,892	1,596	130	145,048
Six months ended 30 June 2026 (unaudited)						
Opening net book amount	6,238	133,192	3,892	1,596	130	145,048
Additions	–	1,195	293	–	–	1,488
Disposal	–	–	(303)	–	–	(303)
Depreciation charges	(313)	(4,953)	(335)	(166)	–	(5,767)
Closing net book amount	5,925	129,434	3,547	1,430	130	140,466

11 Property, plant and equipment (Continued)

	Buildings *RMB'000*	Gas pipelines *RMB'000*	Machinery and equipment *RMB'000*	Motor vehicles, furniture and fittings *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
As at 30 June 2026 (unaudited)						
Cost	**15,188**	**205,924**	**22,614**	**4,390**	**130**	**248,246**
Accumulated depreciation	**(9,263)**	**(76,490)**	**(19,067)**	**(2,960)**	**–**	**(107,780)**
Net book amount	**5,925**	**129,434**	**3,547**	**1,430**	**130**	**140,466**
As at 1 January 2025						
Cost	18,099	196,739	28,385	5,034	195	248,452
Accumulated depreciation	(9,604)	(62,240)	(23,632)	(2,979)	–	(98,455)
Net book amount	8,495	134,499	4,753	2,055	195	149,997
Six months ended 30 June 2025 (unaudited)						
Opening net book amount	8,495	134,499	4,753	2,055	195	149,997
Additions	–	–	13	–	3,426	3,439
Transfers	–	3,490	–	–	(3,490)	–
Disposal	–	–	–	(8)	–	(8)
Depreciation charges	(319)	(4,896)	(561)	(122)	–	(5,898)
Closing net book amount	8,176	133,093	4,205	1,925	131	147,530
As at 30 June 2025 (unaudited)						
Cost	18,099	200,229	28,398	4,886	131	251,743
Accumulated depreciation	(9,923)	(67,136)	(24,193)	(2,961)	–	(104,213)
Net book amount	8,176	133,093	4,205	1,925	131	147,530

12 Right-of-use assets

	Land use rights *RMB'000*	Leased properties *RMB'000*	Total *RMB'000*
Six months ended 30 June 2026 (unaudited)			
Opening net book amount	**4,967**	**1,366**	**6,333**
Modification	**–**	**330**	**330**
Amortisation charges (Note 21(b))	**(59)**	**(222)**	**(281)**
Closing net book amount (Note 21)	**4,908**	**1,474**	**6,382**
Six months ended 30 June 2025 (unaudited)			
Opening net book amount	8,216	1,480	9,696
Amortisation charges (Note 21(b))	(112)	(57)	(169)
Closing net book amount	8,104	1,423	9,527

13 Investment properties

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Opening balance at beginning of the period	**72,131**	68,200
Loss from fair value adjustment	**–**	–
Closing balance at end of the period	**72,131**	68,200

13 Investment properties (continued)

During the six months ended 30 June 2026 and 2025, rental income arising from leasing of investment properties and other gains from the fair value changes of the investment properties are as follows:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Rental income	**2,156**	1,789
Fair value losses recognised for the period	**–**	–

The investment properties are freehold and located at (i) No. 2268 West Shi'an Road, Mishui Jiedao, Gaomi, Weifang, Shandong Province, the PRC; (ii) Longtan Road CNG-LNG Station, No. 3589 Ze'an Avenue, Gaomi, Weifang, Shandong Province, the PRC and (iii) Second CNG Station (South Station), No. 2366, Gucheng Road (South), Mishui Subdistrict, Gaomi, Weifang, Shandong Province, the PRC. They are held under long-term lease in PRC. The properties are occupied as a retail/wholesale outlet, CNG and LNG refueling stations respectively.

The investment properties (including the machinery and equipment leased out under operating leases) held have committed tenants for the next 0.5 to 3.5 years (30 June 2025: 1.5 year). At the end of the reporting period, the Group had contracted with tenants for the following minimum lease payments (including value added tax):

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Within one year	**2,750**	3,900
In the second to fifth years inclusive	**1,438**	1,950
	4,188	5,850

13 Investment properties (continued)

Net rental income

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Gross rental income	**2,156**	1,789
Less: Direct operating expenses	**(440)**	(341)
Net rental income	**1,716**	1,448

14 Financial instruments by category

	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	*RMB'000*
Financial assets at amortised cost		
Trade and other receivables (Note 16)	**87,568**	93,062
Cash and bank balances	**232,072**	221,396
	319,640	314,458
Financial liabilities at amortised cost		
Borrowings (Note 20)	**66,851**	68,290
Trade and other payables (excluding salaries and staff welfare payable and tax payable)	**57,944**	52,045
Lease liabilities (Note 21)	**2,224**	1,931
	127,019	122,266

15 Other non-current assets

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Prepayments for		
– Land use rights	**4,188**	4,188
– Property, plant and equipment	**182**	182
	4,370	4,370

16 Trade and other receivables

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Non-current		
Trade receivables		
– Third parties	**5,770**	6,694
Less: Provision for impairment of trade receivables	**(174)**	(202)
	5,596	6,492
Current		
Trade receivables		
– Related parties (Note 23(g))	**5,217**	5,217
– Third parties	**75,930**	72,141
Less: Provision for impairment of trade receivables	**(1,584)**	(1,510)
Trade receivables – net	**79,563**	75,848
Other receivables		
– Related parties (Note 23 (g))	**1,950**	10,400
– Third parties	**26,192**	25,954
	28,142	36,354
Less: Provision for impairment of other receivables	**(25,733)**	(25,632)
Other receivables – net	**2,409**	10,722
	81,972	86,570
Total trade and other receivables, net	**87,568**	93,062

16 Trade and other receivables (continued)

(a) Aging analysis of trade receivables (before provision of impairment) as at each balance sheet date based on their initial recognition dates were as follows:

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Within 1 year	**7,237**	9,867
1 – 2 years	**6,452**	16,512
2 – 3 years	**15,914**	12,813
Over 3 years	**57,314**	44,860
	86,917	84,052

Trade receivables are mainly recorded based on the dates of transaction. The aging of trade receivables based on their initial recognition dates is basically by reference to their respective dates of invoice.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables.

The Group entered into agreements with local governments in the Gaomi City for the sales of certain gas-burning appliance and the provision of certain construction and installation services (the "clean energy projects", namely 2021 projects and 2023 projects). Pursuant to the settlement terms as set out in the aforesaid agreements, the local governments will settle the related receivables balances by annual instalments over a period of six years that 95% of outstanding amount will be settled within 3 years and the remaining 5% will be settled within 6 years. As at 30 June 2026, trade receivables of the clean energy projects amounted to RMB72,388,000 (31 December 2025: RMB72,388,000). The portion which are not expected to be recovered by the Group within the next twelve months from the balance sheet date has been classified as non-current trade receivables.

16 Trade and other receivables (continued)

(a) Aging analysis of trade receivables (before provision of impairment) as at each balance sheet date based on their initial recognition dates were as follows: (continued)

The Company's management assessed the underlying asset base of these receivables (i.e. the clean energy projects) and, having regard to their long-term credit characteristics and statutory repayment safeguards, that the bad-debt risk associated with these receivables has not materially changed during the six months ended 30 June 2026 and the year ended 31 December 2025 and adequate loss allowances are provided, in particular:

1) Nature of the obligations: These receivables subject to fiscal affordability review and incorporation into medium-to long-term budget planning which are consistent with market practice for public-sector receivables, and in the absence of specific indicators of loss, incremental impairment is not proposed;

2) Repayment source: Repayments are ultimately expected to come from government fund budgets or earmarked fiscal funds, rather than from Gaomi City's routine general fiscal revenues as these payments are channelled through ring-fenced budget lines with dedicated appropriation procedures and they are less directly exposed to pressures on the general public budget;

3) Priority of payment: Clean energy projects are considered directly on-budget debts, protected by the Government Investment Regulations and given a higher priority for recovery;

4) Long-term solution: Gaomi City's debt resolution plan is a long-term systematic arrangement and by referring to the plan's overall feasibility, the risk has not increased significantly;

5) Annual instalments: Local governments in Gaomi city keep on settle receivables to the Group by annually with historical patterns in the prior and current years.

(b) Other receivables are unsecured, interest free and repayable on demand.

(c) The carrying amounts of trade and other receivables are all denominated in RMB.

16 Trade and other receivables (continued)

(d) Movements in allowance for impairment of trade receivables is as follows:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
At beginning of the period	**1,712**	3,647
Provision	**46**	260
At the end of the period	**1,758**	3,907

The carrying amounts of trade receivables approximate their fair values.

(e) Movement of provision for impairment of other receivables is as follows:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
At beginning of the period	**25,632**	25,436
Provision	**101**	121
At the end of the period	**25,733**	25,557

The carrying amounts of other receivables approximate their fair values.

17 Prepayments and other current assets

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Prepayments for:		
– Natural gas and other construction materials	**6,444**	17,261
– Others	**1,799**	992
	8,243	18,253

18 Inventories

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Natural gas related security inspection materials and other construction materials	**7,085**	7,383
Gas-burning appliance	**632**	638
	7,717	8,021

The inventories recognised as expenses and included in cost of sales are analysed as follows:

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Natural gas	**129,154**	138,613
Construction materials	**72**	100
Gas-burning appliance	**392**	924
	129,618	139,637

19 Trade and other payables

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Non-current		
Trade payables		
– Third parties	1,964	2,973
Current		
Trade payables		
– Third parties	41,347	38,788
– Related parties (Note 23(g))	5,282	5,077
	46,629	43,865
Other payables		
– Value-added tax payable	8,398	10,360
– Other taxes payable	315	377
– Amounts due to related parties (Note 23(g))	2,385	2,279
– Listing expenses payable	61	61
– Salaries and staff welfare payable	2,810	1,619
– Dividend payable	4,173	338
– Others	2,732	2,529
	20,874	17,563
	67,503	61,428
Total trade and other payables	69,467	64,401

19 Trade and other payables (continued)

(a) Aging analysis of trade payables at each balance sheet date based on their initial recognition dates were as follows:

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Less than 1 year	**10,670**	8,251
1 – 2 years	**8,983**	15,784
2 – 3 years	**17,654**	14,069
Over 3 years	**11,286**	8,734
	48,593	46,838

Trade payables are mainly recorded based on the dates of transaction. The aging of trade payables based on their recording dates is basically by reference to their respective dates of invoice.

(b) The carrying amounts of trade and other payables are all denominated in RMB.

(c) The carrying amounts of trade and other payables approximate their fair values.

20 Borrowings

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Current		
Bank borrowings		
– Guaranteed by related parties	**58,280**	59,200
Interest payable	**71**	80
	58,351	59,280
Non-Current		
Bank borrowings		
– Guaranteed by related parties	**8,500**	9,000
Interest payable	**–**	10
	8,500	9,010
Borrowings		
– Current	**58,351**	59,280
– Non-current	**8,500**	9,010
	66,851	68,290

As at 30 June 2026, bank borrowings of RMB66,780,000 were guaranteed by certain related parties (Note 23 (d)) (31 December 2025: RMB68,200,000).

21 Leases

(a) Amounts recognised in balance sheets in connection with leases

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Right-of-use assets (Note 12)		
– Land use rights	**4,908**	4,967
– Leased properties	**1,474**	1,366
	6,382	6,333
Lease liabilities		
– Current	**544**	200
– Non-current	**1,680**	1,731
	2,224	1,931

(b) Amounts recognised in profit or loss in connection with leases

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Depreciation charge (Note 12)		
– Leased properties	**222**	57
– Land use rights	**59**	112
	281	169
Interest expenses (Note 8)	**69**	64

21 Leases (continued)

(c) A maturity analysis of lease liabilities is shown in the table below:

	Unaudited 30 June 2026 ***RMB'000***	Audited 31 December 2025 *RMB'000*
Leases are payable:		
Within 1 year	**552**	213
Between 1 and 2 years	**219**	217
Between 2 and 5 years	**1,287**	1,153
Over 5 years	**1,031**	1,274
Minimum lease payments	**3,089**	2,857
Future finance charges	**(865)**	(926)
	2,224	1,931

22 Dividends

As approved by the shareholders at the Annual General Meeting held on 17 June 2026, a final dividend of HKD0.011 per ordinary share of the Company for the year ended 31 December 2025, totalling HKD4,799,000 (equivalent to RMB4,173,000), was distributed to shareholders on 5 August 2026.

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025:nil).

23 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are under common control or joint control in the shareholder' families. Members of key management and their close family member of the Group are also considered as related parties.

The following is a summary of the significant transactions took place between the Group and its related parties at terms as mutually agreed among the parties concerned during the six months ended 30 June 2026 and 2025.

(a) Names and relationships with related parties

The following companies and individuals are significant related parties of the Group that had significant transactions and/or balances with the Group during the six months ended 30 June 2026 and 2025.

Names of the major related parties	Nature of relationship
Mr. Luan Xiaolong	Director and one of the ultimate beneficial owners of the Company
Mr. Luan Linjiang*	Director and one of the ultimate beneficial owners of the Company, the father of Mr. Luan Xiaolong
Ms. Cui Shuhua	The spouse of Mr. Luan Linjiang
Ms. Zhou Zhan	The spouse of Mr. Luan Xiaolong
Gaomi Jiaoyun Group Co., Ltd. (高密市交運集團有限公司) ("**Gaomi Jiaoyun**")	Controlled by Mr. Luan Xiaolong
Gaomi Jiaoyun Market Co., Ltd. (高密市交運市場有限公司) ("**Jiaoyun Market**")	Controlled by Mr. Luan Linjiang
Gaomi Jiaoyun Property Co., Ltd. (高密市交運置業有限公司) ("**Jiaoyun Property**")	Controlled by Mr. Luan Linjiang
Gaomi Guorui Real Estate Co., Ltd. (高密國瑞置業有限公司) ("**Guorui Real Estate**")	Indirectly controlled by Mr. Luan Xiaolong
Gaomi Jiaoyun Construction Machinery Co., Ltd. (高密交運工程機械有限公司) ("**Jiaoyun Construction Machinery**")	Indirectly controlled by Mr. Luan Linjiang
Gaomi Yuanhua Trading Co., Ltd. (高密市遠華貿易有限公司) ("**Yuanhua Trading**")	Indirectly controlled by Mr. Luan Xiaolong
Shandong Shihua Natural Gas Co., Ltd. (山東實華天然氣有限公司) ("**Shandong Shihua**")	Minority shareholder of Jiaoyun Shihua
Shandong Gaomi Traffic Car Transport Co., Ltd. (山東高密市交運汽車運輸有限公司) ("**Jiaoyun Car Transport**")	Indirectly controlled by Mr. Luan Xiaolong
Gaomi Jiaoyun Taxi Co., Ltd. (高密市交運出租車有限公司) ("**Jiaoyun Taxi**")	A subsidiary of Jiaoyun Car Transport and indirectly controlled by Mr. Luan Xiaolong
Gaomi Jiaoyun Thermal Co., Ltd. (高密市交運熱力有限公司) ("**Jiaoyun Thermal**")	Controlled by Mr. Luan Xiaolong

Mr. Luan Linjiang ceased to hold (directly or indirectly) any shares of the Company since 15 August 2024, and resigned as director of the Company with effect from 1 September 2025.

23 Related party transactions (continued)

(b) Purchases of goods and services

(i) Purchases of goods

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Shandong Shihua	**89,201**	103,180

(ii) Purchases of subcontract services

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Jiaoyun Property	**188**	326

(c) Provision of construction and installation services and sales of goods

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Guorui Real Estate	**–**	2
	–	2

23 Related party transactions (continued)

(d) Guarantees provided by related parties for borrowings

As at 30 June 2026, bank borrowings of RMB49,600,000 were guaranteed by Jiaoyun Thermal, Jiaoyun Property, Mr. Luan Linjiang, Ms. Cui Shuhua, Mr. Luan Xiaolong and Ms. Zhou Zhan; bank borrowings of RMB8,680,000 were guaranteed by Gaomi Jiaoyun, Mr. Luan Xiaolong and Ms. Zhou Zhan; bank borrowings of RMB8,500,000 were guaranteed by Gaomi Jiaoyun, Mr. Luan Linjiang, Mr. Luan Xiaolong, Ms. Cui Shuhua and Ms. Zhou Zhan (Note 20).

As at 31 December 2025, bank borrowings of RMB49,700,000 were guaranteed by Jiaoyun Thermal, Jiaoyun Property, Mr. Luan Linjiang, Ms. Cui Shuhua, Mr. Luan Xiaolong and Ms. Zhou Zhan; bank borrowings of RMB9,500,000 were guaranteed by Gaomi Jiaoyun, Mr. Luan Xiaolong and Ms. Zhou Zhan; bank borrowings of RMB9,000,000 were guaranteed by Gaomi Jiaoyun, Mr. Luan Linjiang, Mr. Luan Xiaolong, Ms. Cui Shuhua and Ms. Zhou Zhan (Note 20).

(e) Property leasing

(i) Rental income

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Jiaoyun Market	**1,789**	1,789

(ii) Rental expenses

	Unaudited Six months ended 30 June	
	2026 ***RMB'000***	2025 *RMB'000*
Mr. Luan Linjiang	**159**	157
Jiaoyun Car Transport	**97**	194
	256	351

23 Related party transactions (continued)

(f) Expenses of seconded employees

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Shandong Shihua	**300**	–

(g) Period-end/Year-end balances between related parties

	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	*RMB'000*
Receivables from related parties		
Trade receivables (Note 16)		
– Jiaoyun Property	**3,723**	3,723
– Jiaoyun Taxi	**904**	904
– Guorui Real Estate	**590**	590
	5,217	5,217
Other receivables (Note 16)		
– Jiaoyun Market	**1,950**	10,400
	1,950	10,400
Prepayments		
– Shandong Shihua	**1,704**	13,390
	1,704	13,390

The amounts due are unsecured, interest-free and repayable on demand.

23 Related party transactions (continued)

(g) Period-end/Year-end balances between related parties (continued)

	Unaudited 30 June 2026 *RMB'000*	Audited 31 December 2025 *RMB'000*
Payables to related parties		
Trade payables (Note 19)		
– Yuanhua Trading	**544**	544
– Jiaoyun Construction Machinery	**39**	39
– Jiaoyun Property	**4,699**	4,494
	5,282	5,077
Other payables (Note 19)		
– Mr. Luan Linjiang	**1,132**	1,026
– Jiaoyun Property	**413**	413
– Jiaoyun Car Transport	**840**	840
	2,385	2,279

All the trade and other payable balances with related parties are trade in nature. The amounts due are unsecured, interest-free and repayable on demand.

(h) Key management compensation

Key management includes directors and respective department heads. The compensation paid or payable to key management for employee services is shown below:

	Unaudited Six months ended 30 June	
	2026 *RMB'000*	2025 *RMB'000*
Salaries and other short-term employee benefits		
– Directors	**652**	148
– Other key management	**192**	174
	844	322