天伦燃气
TIANLUN GAS

Tian Lun Gas Holdings Limited
天倫燃氣控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1600)

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

Highlights of results for the six months ended 30 June 2025:

- The total gas sales volume was 1,268 million m^3, representing an increase of 15.3% as compared with 1,100 million m^3 for the same period of last year. Among the total gas sales volume, gas retail sales volume was 880 million m^3, maintaining stability.
- Revenue was RMB4,242 million, representing an increase of 10.6% as compared with RMB3,835 million for the same period of last year.
- Through active cost pass-through efforts and continuous gas source optimization management, the comprehensive gas sales spread increased by RMB1 cent, and retail gas sales profit remained stable.
- The Board declared the payment of an interim dividend of RMB4.60 cents per share, representing a dividend payout ratio of 35.0% of core profit.

The board (the "**Board**") of directors (the "**Directors**") of Tian Lun Gas Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") is pleased to announce the unaudited results of the Group for the six months ended 30 June 2025 (the "**Reporting Period**").

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		Unaudited	Unaudited
Revenue	*2*	**4,241,575**	3,834,807
Cost of sales		**(3,729,003)**	(3,291,460)
Gross profit		**512,572**	543,347
Distribution costs		**(41,225)**	(36,207)
Administrative expenses		**(114,235)**	(111,028)
Net impairment losses on financial assets and contract assets		**(4,173)**	(2,327)
Other income		**3,079**	2,982
Other losses — net	*3*	**(3,307)**	(19,178)
Operating profit		**352,711**	377,589
Finance income		**2,187**	5,373
Finance expenses		**(192,153)**	(193,349)
Finance expenses — net	*6*	**(189,966)**	(187,976)
Share of results of associates and a joint venture	*9*	**20,544**	21,509
Profit before income tax		**183,289**	211,122
Income tax expense	*5*	**(53,496)**	(67,709)
Profit for the Period		**129,793**	143,413
Profit attributable to:			
Owners of the Company		**120,287**	132,210
Non-controlling interests		**9,506**	11,203
		129,793	143,413

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		Unaudited	Unaudited
Profit for the Period		**129,793**	143,413
Other comprehensive income for the Period, net of tax		**—**	—
Total comprehensive income for the Period		**129,793**	143,413
Attributable to:			
Owners of the Company		**120,287**	132,210
Non-controlling interests		**9,506**	11,203
		129,793	143,413
Earnings per share attributable to owners of the Company ***(RMB cents per share)***			
— Basic earnings per share	*7*	**12.41**	13.64
— Diluted earnings per share	*7*	**12.41**	13.64

The notes on pages 7 to 22 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

30 June 2025

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	*8*	**3,819,182**	3,830,652
Investment properties	*8*	**35,026**	36,617
Right-of-use assets	*8*	**271,258**	278,511
Intangible assets	*8*	**4,643,283**	4,705,766
Investments accounted for using the equity method	*9*	**906,221**	885,677
Deferred tax assets		**20,874**	14,166
Financial assets at fair value through profit or loss	*12(a)*	**6,470**	6,175
Financial assets at fair value through other comprehensive income	*11*	**36,800**	36,800
Other non-current assets		**166,486**	118,177
		9,905,600	9,912,541
Current assets			
Inventories		**163,096**	229,081
Contract assets		**1,390,535**	1,848,970
Trade and other receivables	*10*	**2,921,913**	2,335,716
Financial assets at fair value through other comprehensive income	*11*	**34,373**	14,539
Financial assets at fair value through profit or loss	*12(a)*	**222,131**	250,679
Restricted cash		**369,191**	215,490
Cash and cash equivalents		**1,184,775**	1,103,037
		6,286,014	5,997,512
Total assets		**16,191,614**	15,910,053

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET *(Continued)*

30 June 2025

	Notes	**Unaudited 30 June 2025 *RMB'000***	Audited 31 December 2024 *RMB'000*
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	*13(a)*	**8,264**	8,264
Treasury shares	*13(b)*	**(73,233)**	(73,233)
Share premium	*13(a)*	**81,317**	81,317
Reserves		**1,057,742**	1,057,742
Retained earnings		**4,895,632**	4,870,183
		5,969,722	5,944,273
Non-controlling interests		**301,914**	318,210
Total equity		**6,271,636**	6,262,483

The notes on pages 7 to 22 are an integral part of this unaudited interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET *(Continued)*
30 June 2025

	Notes	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	*14*	**5,267,915**	4,396,432
Deferred income		**30,976**	35,220
Lease liabilities		**5,507**	10,026
Deferred income tax liabilities	*15*	**691,160**	711,079
Financial liabilities at fair value through profit or loss	*12(b)*	**8,150**	—
		6,003,708	5,152,757
Current liabilities			
Trade and other payables	*16*	**805,411**	907,982
Lease liabilities		**6,042**	7,106
Dividend payables		**7,008**	6,253
Contract liabilities		**468,869**	567,841
Current income tax liabilities		**393,245**	409,882
Borrowings	*14*	**2,235,603**	2,595,749
Financial liabilities at fair value through profit or loss	*12(b)*	**92**	—
		3,916,270	4,494,813
Total liabilities		**9,919,978**	9,647,570
Total equity and liabilities		**16,191,614**	15,910,053

The notes on pages 7 to 22 are an integral part of this unaudited interim condensed consolidated financial information.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1 GENERAL INFORMATION OF THE GROUP

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

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

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

This unaudited condensed consolidated interim financial information is presented in RMB unless otherwise stated. This unaudited condensed consolidated interim financial information was approved for issue by the Board of Directors on 28 August 2025.

This condensed consolidated interim financial information is unaudited.

2 SEGMENT INFORMATION

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

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

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

The senior executive management reviews the business performance by using the types of end-users who use its products. For sales made to residential customers, industrial and commercial customers, and transportation customers are classified as sales of natural gas in cylinders; sales to distribution users of city gas enterprises and gas source trading users are classified as sales of natural gas in bulk. The value-added business and other miscellaneous income have been reviewed by the senior executive management, and its results are included in the section "all other segments".

2 SEGMENT INFORMATION *(Continued)*

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

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

The segment information provided to the senior executive management for the reportable segments for the six-month period ended 30 June 2025 is as follows:

	Sales of natural gas in cylinders *RMB'000*	Sales of natural gas in bulk *RMB'000*	Engineering construction services *RMB'000*	All other segments *RMB'000*	Inter-segment elimination *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Total revenue	2,561,799	1,077,846	310,626	539,455	(248,151)	—	4,241,575
Inter-segment revenue	—	—	—	248,151	(248,151)	—	—
Revenue from external customers	2,561,799	1,077,846	310,626	291,304	—	—	4,241,575
Segment profit	156,378	5,638	118,151	96,357	—	—	376,524
Unallocated expenses						(19,412)	(19,412)
Net impairment losses on financial assets and contract assets						(4,173)	(4,173)
Other income						3,079	3,079
Other losses — net						(3,307)	(3,307)
Operating profit							352,711
Finance expenses — net						(189,966)	(189,966)
Share of results of associates and a joint venture						20,544	20,544
Profit before income tax							183,289
Income tax expense						(53,496)	(53,496)
Profit for the Period							129,793

2 SEGMENT INFORMATION *(Continued)*

The segment information provided to the senior executive management for the reportable segments for the six-month period ended 30 June 2024 is as follows:

	Sales of natural gas in cylinders *RMB'000*	Sales of natural gas in bulk *RMB'000*	Engineering construction services *RMB'000*	All other segments *RMB'000*	Inter-segment elimination *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Total revenue	2,587,049	640,964	386,994	400,113	(180,313)	—	3,834,807
Inter-segment revenue	—	—	—	180,313	(180,313)	—	—
Revenue from external customers	2,587,049	640,964	386,994	219,800	—	—	3,834,807
Segment profit	158,259	18,143	165,615	79,229	—	—	421,246
Unallocated expenses						(25,134)	(25,134)
Net impairment losses on financial assets and contract assets						(2,327)	(2,327)
Other income						2,982	2,982
Other losses — net						(19,178)	(19,178)
Operating profit							377,589
Finance expenses — net						(187,976)	(187,976)
Share of results of associates and a joint venture						21,509	21,509
Profit before income tax							211,122
Income tax expense						(67,709)	(67,709)
Profit for the Period							143,413

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

3 OTHER LOSSES — NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Net exchange gains/(losses)	**13,858**	(27,821)
(Losses) on financial assets at fair value through profit or loss	**(28,339)**	(6,176)
Others	**11,174**	14,819
	(3,307)	(19,178)

4 PROFIT BEFORE INCOME TAX

The following items have been charged/(credited) to the profit before income tax:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Raw materials and consumables used	**3,380,048**	2,955,831
Depreciation on property, plant and equipment *(Note 8)*	**106,539**	104,228
Depreciation on investment properties *(Note 8)*	**1,591**	1,429
Amortisation of right-of-use assets *(Note 8)*	**6,723**	7,238
Amortisation of intangible assets *(Note 8)*	**66,106**	63,001
(Gains) on disposal of property, plant and equipment and right-of-use assets	**(7,439)**	(14,707)

5 INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Current income tax:		
— PRC corporate income tax	**80,123**	97,168
Deferred income tax	**(26,627)**	(29,459)
	53,496	67,709

All the Company's subsidiaries incorporated in the PRC are subject to the PRC corporate income tax, which has been provided based on the statutory income tax rate of the assessable income of each of such companies during the six months ended 30 June 2025 and 30 June 2024, as determined in accordance with the relevant PRC income tax rules and regulations. The CIT rate of the relevant subsidiaries operating in the PRC is 25% (six months ended 30 June 2024: 25%). Certain subsidiaries are entitled to the Development of the Western Regions CIT preferential policies and subject to a preferential CIT rate of 15% (six months ended 30 June 2024: 15%). Besides that, certain subsidiaries are also entitled to the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises and subject to a preferential CIT rate of 5% (six months ended 30 June 2024: 5%).

6 FINANCE EXPENSES — NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Finance income		
Income from bank deposits and bank financial products	**(2,187)**	(5,373)
Finance expenses		
Interest expense on borrowings	**195,381**	199,308
Leasing interests	**282**	297
Others	**5,065**	3,917
Less: amounts capitalised on qualifying assets	**(8,575)**	(10,173)
	192,153	193,349
	189,966	187,976

7 EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
	Unaudited	Unaudited
Profit attributable to owners of the Company *(RMB'000)*	**120,287**	132,210
Weighted average number of ordinary shares in issue *(thousands)*	**969,066**	969,066
Basic earnings per share *(RMB cents per share)*	**12.41**	13.64

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2025, the Company had no dilutive potential shares (six months ended 30 June 2024: no dilutive).

8 PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

During the Period, the changes of property, plant and equipment, investment properties, right-of-use assets and intangible assets of the Group are as follows:

	Property, plant and equipment	**Investment properties**	**Right-of-use assets**	**Intangible assets**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the six months ended 30 June 2025					
Net carrying amount as at 1 January 2025	**3,830,652**	**36,617**	**278,511**	**4,705,766**	**8,851,546**
Additions	**99,519**	**—**	**—**	**2,395**	**101,914**
Reclassification	**(3,417)**	**—**	**2,189**	**1,228**	**—**
Disposals	**(1,033)**	**—**	**(2,719)**	**—**	**(3,752)**
Depreciation charge	**(106,539)**	**(1,591)**	**(6,723)**	**(66,106)**	**(180,959)**
Net carrying amount as at 30 June 2025	**3,819,182**	**35,026**	**271,258**	**4,643,283**	**8,768,749**
For the six months ended 30 June 2024					
Net carrying amount as at 1 January 2024	3,756,751	38,663	265,252	4,859,397	8,920,063
Additions	140,579	27	2,221	5,452	148,279
Reclassification	(2,228)	—	2,228	—	—
Disposals	(4,000)	—	—	—	(4,000)
Depreciation charge	(104,228)	(1,429)	(7,238)	(63,001)	(175,896)
Net carrying amount as at 30 June 2024	3,786,874	37,261	262,463	4,801,848	8,888,446

9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Beginning of the period	**885,677**	866,050
Share of results of associates	**31,894**	32,841
Share of result of a joint venture *(i)*	**(11,350)**	(11,332)
End of the period	**906,221**	887,559

The assets, liabilities and revenue of associates and a joint venture, all of which are unlisted, are shown below:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Assets	**43,476,554**	44,760,668
Liabilities	**(38,046,303)**	(39,256,059)
Revenue	**888,772**	912,789
Share of Results of Associates and a Joint Venture	**20,544**	21,509

(i) The Group did not recognise losses totalling RMB47,258,000 (six months ended 30 June 2024: Nil) in relation to its joint venture equity, as the Group was not liable for these losses.

10 TRADE AND OTHER RECEIVABLES

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	Unaudited	Audited
Trade receivables	**723,466**	611,042
Receivables due from related parties	**1,837,470**	1,363,511
Less: provision for impairment	**(236,192)**	(232,019)
Notes receivables	**17,515**	13,239
Other receivables	**146,513**	99,566
Less: provision for impairment	**(302)**	(302)
Value-added-tax to be offset and prepaid income tax	**30,481**	22,335
	2,518,951	1,877,372
Prepayments	**402,962**	458,344
	2,921,913	2,335,716

The credit period generally granted to customers in relation to sales of gas is up to 2 months. As for customers in relation to engineering construction services, the Group generally requests advance payments, and in circumstances of credit sales, management closely monitors the credit quality of the customers, and the credit period is granted case by case with a maximum of 2 years in general. An aging analysis of trade receivables and receivables due from related parties in trade nature based on billing date is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	Unaudited	Audited
Less than 1 year	**1,443,044**	884,925
1 year to 2 years	**930,290**	910,406
2 years to 3 years	**143,779**	136,686
Over 3 years	**27,976**	28,939
	2,545,089	1,960,956

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	Unaudited	Audited
Non-current assets		
Equity instrument — unlisted		
— Gas industry equity interest *(i)*	**36,800**	36,800
Current assets		
Debt instrument		
— Notes receivable *(ii)*	**34,373**	14,539

(i) The fair values of unlisted equity securities are calculated by using the market approach to determine the fair value of the assets by reference to the transaction prices, or "valuation multiples" implicit in the transaction prices, of identical or similar assets on the market, which results in these measurements being classified as Level 3 in the fair value hierarchy.

(ii) Debt investments at fair value through other comprehensive income comprise notes receivable. The Group measures the fair value of the notes receivable within Level 3 of the fair value hierarchy using the discounted cash flow method, which gives rise to fair values approximating the cost.

12 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Financial Assets at Fair Value through Profit or Loss

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	Unaudited	Audited
Non-current assets		
Cross currency swap and interest rate swap contracts *(i)*	**6,470**	6,175
Current assets		
Total return swap (the TRS) *(ii)*	**221,147**	235,474
Cross currency swap and interest rate swap contracts *(i)*	**984**	15,205
	222,131	250,679
	228,601	256,854

(b) Financial Liabilities at Fair Value through Profit or Loss

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	Unaudited	Audited
Non-current liabilities		
Cross currency swap and interest rate swap contracts *(i)*	**8,150**	—
Current liabilities		
Cross currency swap and interest rate swap contracts *(i)*	**92**	—
	8,242	—

12 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

(i) In order to deconcentrate the Group's foreign exchange risk among USD and HKD and its functional currency RMB, the Group entered into RMB/USD and RMB/HKD foreign exchange instruments contract. The foreign exchange instruments are measured at fair value at the end of the reporting period which is determined by reference to the prices as quoted by the counterparty financial institution.

(ii) The Company entered into the TRS Transaction with the TRS Counterparty to hedge the risk of future share price appreciation in relation to the Share Award Scheme. The total Equity Notional Amount of the TRS Transaction is HK$310,000,000.

The TRS Transaction is measured at fair value which is determined by reference to the quoted prices for similar assets in an active market.

13 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

(a) Share capital and share premium

	Number of shares *(Thousands)*	**Ordinary shares** *RMB'000* Unaudited	**Share premium** *RMB'000* Unaudited	**Total** *RMB'000* Unaudited
Issued and fully paid:				
As at 30 June 2025 (Nominal value of HK$0.01 per share)	981,885	8,264	81,317	89,581
As at 1 January 2025 (Nominal value of HK$0.01 per share)	981,885	8,264	81,317	89,581

(b) Treasury shares

	Number of shares *(Thousands)*	**Total** *RMB'000* Unaudited
As at 1 January 2025	12,819	73,233
As at 30 June 2025	12,819	73,233

14 BORROWINGS

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	Unaudited	Audited
Non-current	**5,267,915**	4,396,432
Current	**2,235,603**	2,595,749
	7,503,518	6,992,181

Changes in borrowings are analysed as follows:

	RMB'000
For the six months ended 30 June 2025	
Opening balance as at 1 January 2025	**6,992,181**
Proceeds from new loans	**2,796,150**
Less: financing expenses paid	**(26,139)**
Repayments of borrowings	**(2,253,494)**
Exchange (gains)	**(24,100)**
Amortisation of financing expenses	**18,920**
Closing balance as at 30 June 2025	**7,503,518**

	RMB'000
For the six months ended 30 June 2024	
Opening balance as at 1 January 2024	6,801,454
Proceeds from new loans	3,208,243
Less: financing expenses paid	(28,170)
Repayments of borrowings	(2,410,316)
Exchange losses	20,802
Amortisation of financing expenses	9,657
Closing balance as at 30 June 2024	7,601,670

Interest expense on borrowings for the six months ended 30 June 2025 is RMB195,381,000 (six months ended 30 June 2024: RMB199,308,000).

15 DEFERRED TAX LIABILITIES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Balance as at 1 January	**711,079**	735,906
Credited to profit or loss	**(19,919)**	(20,363)
Closing balance as at 30 June	**691,160**	715,543

16 TRADE AND OTHER PAYABLES

	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Audited
Trade payables	**294,191**	370,077
Amounts due to related parties	**5,790**	8,906
Notes payable	**222,000**	204,846
Accrued payroll and welfare	**3,096**	7,651
Interest payables	**16,680**	16,329
Other taxes payables	**192,076**	215,979
Contingent consideration payables *(i)*	**7,704**	7,704
Other payables	**63,874**	76,490
	805,411	907,982

(i) The fair values of contingent consideration payables were measured by the discounted method and included in Level 3 of the fair value hierarchy.

16 TRADE AND OTHER PAYABLES *(Continued)*

An ageing analysis of trade payables and payables due to related parties in trade nature based on billing date is as follows:

	30 June 2025	31 December 2024
	RMB'000	*RMB'000*
	Unaudited	Audited
Less than 1 year	**241,470**	320,882
1 year to 2 years	**25,055**	23,667
2 years to 3 years	**7,883**	8,332
Over 3 years	**19,783**	17,196
	294,191	370,077

17 DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Final dividend for the year 2024 of RMB9.79 cents per share paid to ordinary shares (2023: RMB10.82 cents per share)	**94,838**	105,044

Pursuant to the resolutions of the Board on 28 August 2025, the Board of the Company recommended the payment of a total interim dividend of RMB45,167,000 (RMB4.60 cents per share) for the six months ended 30 June 2025 (for the six months ended 30 June 2024: a total of RMB47,032,000 (RMB4.79 cents per share)), and this interim dividend was not recognized as a liability in this interim financial information.

18 BASIS OF PREPARATION OF THE INTERIM REPORT

This interim condensed consolidated financial information for the half-year ended 30 June 2025 has been prepared in accordance with Accounting Standard HKAS 34 *Interim Financial Reporting*.

This interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim condensed consolidated financial information is to be read in conjunction with the annual report for the year ended 31 December 2024 and all other public announcements made by the Group during the period.

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

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

INDUSTRY REVIEW

The year 2025 marks both the conclusion of the "14th Five-Year Plan" and the inception of the "15th Five-Year Plan", representing a pivotal juncture. Despite an increasingly complex and severe external environment, China's economy has shown strong resilience and sustained vitality. In the first half of the year, China's economy maintained stable and positive development with continuously optimized structure, achieving a steady 5.3% growth rate. In the process of ensuring and improving people's livelihoods and meeting their needs for a better life, more new growth points and key areas for stabilizing economic performance have been identified. Among these, the demand for higher-quality green and low-carbon products and services has shown significant growth. Guided by the new development philosophy and the "dual carbon" goals, green development has become a new highlight in China's economic development, with green and low-carbon consumption gradually gaining popularity among the people.

On the journey toward carbon neutrality, natural gas, with its unique low-carbon endowment, has become an indispensable transitional bridge for national green development, injecting strong momentum into the low-carbon transformation of urban energy use and the clean replacement of industrial fuels.

In the first half of the year, the central government has sustained policy impetus for the renewal and transformation of aging urban gas pipelines. The core objective is to systematically resolve safety risks arising from outdated pipelines and ensure the safe operation of urban lifelines, while enhancing energy supply efficiency and promoting sustainable urban development. In April, the Ministry of Housing and Urban-Rural Development (MOHURD) convened a video coordination conference on workplace safety and the Three-Year Fundamental Improvement Campaign. The ministry called for accelerated implementation of the National Special Campaign on Urban Gas Pipeline Safety with intensified efforts to advance the National Urban Gas Safety Rectification Program, while reinforcing gas "safety valves". This initiative marks China's transition toward preventive and smart urban safety governance systems, establishing essential public safety foundations for concluding the "14th Five-Year Plan" period. In May, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued the Opinions on Continuously Promoting Urban Renewal Actions (《關於持續推進城市更新行動的意見》), which signifies that China's urban renewal has been formally elevated from local-level exploration to a national strategy. The document sets 2030 phased targets, aiming to build livable, resilient and smart cities that will become an important pillar of Chinese modernization. Simultaneously, in 2025, the National Development and Reform Commission is accelerating the advancement of "dual-priority" project construction, with a full-year cumulative investment of RMB800 billion specifically focused on the renovation of underground pipelines such as gas, water supply and drainage networks. The plan targets annual pipeline construction and renovation exceeding 140,000 kilometers, to enhance urban safety resilience.

On the foundation of strengthening long-term safe operation of urban gas systems, promoting market-based reform of natural gas pricing and guiding the implementation of natural gas price were equally focal priorities for the state in directing the sustainable, efficient and safe development of the natural gas industrial chain during the first half-year period. In April, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued the Guidelines on Improving Price Regulation Mechanisms (《關於完善價格治理機制的意見》), which mandates the establishment of a "gas cost plus reasonable return" pricing model. The guidelines aim to address cost-pass-through constraints via price indexation, break up monopolies through pipeline network deregulation, expand new growth spaces with green development policies, and enhance the urban gas sector's sustainable development capacity through balanced dynamic adjustments and livelihood protections.

Simultaneously, the state is vigorously advancing digital and intelligent construction in the gas sector, incorporating the entire supply-marketing-storage-transportation chain of natural gas into smart supervision systems. This continues the policy guidance of the Guiding Opinions on Deepening Smart Cities Development and Promoting Comprehensive Urban Digital Transformation (《關於深化智慧城市發展推進城市全域數字化轉型的指導意見》) jointly issued by the National Development and Reform Commission and three other departments, driving digital transformation and intelligent operation of gas underground utility corridors and other facilities, while promoting urban digital transformation and intelligent development. By 2027, significant achievements will be made in nationwide comprehensive urban digital transformation, and by 2030, complete breakthroughs will be realized in nationwide comprehensive urban digital transformation, giving rise to a cohort of globally competitive Chinese-style modern cities in the era of digital civilization.

BUSINESS REVIEW

The Group has always followed the vision of "committing to the cause of people's livelihood and building a brand with enduring success" and fulfilled the mission of "improving our living environment through developing clean energy". The Group is solidifying the foundation of its core natural gas business through high-quality development, while prioritizing the development of value-added services and integrated energy services that generate synergies with the business as strategic development objectives, thereby driving its strategic transformation from a traditional gas supplier to an energy service provider.

The key results and operating data of the Group for the six months ended 30 June 2025 and their comparison against the figures for the same period of last year are as follows:

	Six months ended 30 June		
	2025	2024 (Restated)	Change
Revenue *(RMB'000)*	**4,241,575**	3,834,807	10.6%
Gross profit *(RMB'000)*	**512,572**	543,347	(5.7)%
Profit attributable to owners of the Company *(RMB'000)*	**120,287**	132,210	(9.0)%
Weighted average number of shares *('000)*	**969,066**	969,066	0%
Earnings per share — basic *(RMB cents)*	**12.41**	13.64	(9.0)%
New pipeline gas customers:	**95,515**	128,660	(25.8)%
— City gas residential customers *(households)*	**94,150**	126,757	(25.7)%
— Industrial and commercial customers *(households)*	**1,365**	1,903	(28.3)%
Total pipeline gas customers:	**5,933,308**	5,728,585	3.6%
— City gas residential customers *(households)*	**3,920,917**	3,720,643	5.4%
— Rural gasification residential customers *(households)*	**1,959,209**	1,959,209	0%
— Industrial and commercial customers *(households)*	**53,182**	48,733	9.1%
Natural gas sales volume *(in ten thousand m^3)*:	**126,814**	110,020	15.3%
Sales volume of retail business of natural gas *(in ten thousand m^3)*	**87,973**	87,781	0.2%
— Natural gas sales volume to residential customers *(in ten thousand m^3)*	**30,568**	28,168	8.5%
— Natural gas sales volume to industrial and commercial customers *(in ten thousand m^3)*	**54,278**	55,165	(1.6)%
— Natural gas sales volume to transportation customers *(in ten thousand m^3)*	**3,127**	4,448	(29.7)%
Sales volume of wholesale business of natural gas *(in ten thousand m^3)*	**38,841**	22,239	74.7%
Long-haul pipeline gas transmission volume *(in ten thousand m^3)*	**32,878**	30,935	6.3%
Total length of medium and high-pressure pipelines *(kilometre)*	**9,579**	9,332	2.6%

Gas Sales Business

In the first half of the year, facing the dual pressures of macro-economic downturn and energy structure adjustment, the Group deepened the supply guarantee and energy consumption services for industrial and commercial users, stabilized the demand of core customers, deeply explored the existing market, expanded new users through policies such as "oil-to-gas" and "bottle-to-pipe", and achieved a steady growth in retail gas sales volume to 880 million cubic meters. At the same time, in order to cope with the peak shaving demand during the heating season, ensure stable gas supply, accelerate market development and accurately judge users' needs, the Group vigorously promoted the energy trading business in the first half of the year, and the gas sales volume of wholesale business reached 388 million cubic meters, representing a year-on-year increase of 74.7% as compared with 222 million cubic meters in the same period last year.

Gas Source Optimization

The Group has always positioned gas source optimization as its core task for ensuring energy security and reducing operational costs. Through diversified layout, technological innovation, and infrastructure coordination, it achieves stable and secure gas supply. In the first half of the year, with policy support, the Group has reduced single-source dependency risks by developing diversified gas sources to establish a multi-source supply structure; realized intelligent pipeline network operation through technological upgrades, effectively decreasing gas transmission losses; and enhanced emergency allocation capacity by promoting gas pipeline interconnections to build a regional "unified network", thereby ensuring the comprehensive optimization objectives of safe, economical and efficient gas sources. As of 30 June 2025, the Group's total length of medium and high-pressure pipelines reached 9,579 kilometers.

Value-added Services

The Group has vigorously expanded its value-added services business through innovative measures such as one-stop services, intelligent upgrades and safety extensions, which have not only enhanced user experience but also built a value-added service ecosystem that better meets user needs. In the first half of the year, the Company actively explored new value-added business areas, and deeply integrated gas safety and personalized beauty decoration business by building a professional value-added business marketing system; actively utilized old renovation business scenarios to promote diversified service methods such as double increases in the average unit price of insurance households and the coverage rate of the number of users, thereby significantly enhancing user stickiness and conversion rates, opening new pathways for sustainable development. As at 30 June 2025, the Group's revenue from value-added business amounted to RMB231 million, representing an increase of 27.6% compared with RMB181 million for the same period of last year, while gross profit amounted to RMB114 million, representing an increase of 40.7% compared with RMB81 million for the same period of last year.

FINANCIAL REVIEW

During the Reporting Period, the Group's revenue amounted to RMB4,242 million, representing an increase of 10.6% as compared with RMB3,835 million for the same period of last year. The gross profit was RMB513 million, representing a year-on-year decrease of 5.7% as compared with RMB543 million for the same period of last year. Overall gross profit margin was 12.1%. The profit attributable to owners of the Company amounted to RMB120 million, representing a year-on-year decrease of 9.0% as compared with RMB132 million for the same period of last year. Basic earnings per share amounted to RMB12.41 cents, representing a year-on-year decrease of 9.0% as compared with RMB13.64 cents for the same period of last year.

Revenue from Gas Retail Business

For the six months ended 30 June 2025, the revenue from retail business of the Group amounted to RMB2,562 million, maintaining the same as the same period of last year.

Revenue from Gas Wholesale Business

For the six months ended 30 June 2025, the revenue from wholesale business of the Group amounted to RMB1,078 million, representing a year-on-year increase of 68.2% as compared with RMB641 million for the same period of last year.

Revenue from Engineering Construction Services

During the Reporting Period, the Group's revenue from engineering construction services amounted to RMB311 million, representing a year-on-year decrease of 19.6% as compared with RMB387 million for the same period of last year.

Revenue from Other Business

Most of the revenue from other business comes from value-added services. During the Reporting Period, the Group deeply integrated its value-added business content, continuously innovated in value-added business fields, and built a professional value-added business marketing platform, which generated other business revenue of RMB291 million, representing an increase of 32.3% as compared with RMB220 million for the same period of last year.

Gross Profit and Profit

During the Reporting Period, the Group realized a gross profit of RMB513 million, representing a decrease of 5.7% as compared with RMB543 million for the same period of last year. The overall gross profit margin of the Group was 12.1%.

Distribution Cost and Administrative Expenses

The Group's distribution cost for the Reporting Period was RMB41 million, and administrative expenses were RMB114 million.

Other Losses — Net

During the Reporting Period, other losses — net of the Group amounted to RMB3 million, representing a decrease of RMB16 million as compared with the same period of last year.

Finance Expenses — Net

During the Reporting Period, finance expenses — net of the Group amounted to RMB190 million, representing basically the same as compared with RMB188 million for the same period of last year.

Share of Results of Associates and a Joint Venture

During the Reporting Period, the Group's share of profit after tax of associates and a joint venture amounted to RMB21 million.

Profit for the Period

During the Reporting Period, excluding other losses — net and impairment losses on financial and contract assets, net, the adjusted core profit amounted to RMB129 million, representing a decrease of 17.7% as compared with RMB157 million for the same period of last year.

During the Reporting Period, the profit for the Period of the Group amounted to RMB130 million, representing a decrease of 9.1% as compared with RMB143 million for the same period of last year.

Net Profit Attributable to Owners of the Company

During the Reporting Period, the net profit attributable to owners of the Company was RMB120 million, representing a decrease of 9.0% as compared with the same period of last year.

Financial Position

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

For the six months ended 30 June 2025, the Group incurred capital expenditure of RMB113 million, which was used for continuously improving the business of city gas and long-haul pipeline. The above capital expenditure was financed by the Group's operating cash flows and bank borrowings.

As at 30 June 2025, the Group held cash and cash equivalents of RMB1,185 million in total (among which 99.6% was denominated in RMB, 0.2% was denominated in HK dollars, and 0.2% was denominated in US dollars), so as to safeguard the capital needs for the project expansion and acquisition of business of the Group.

As at 30 June 2025, the Group's total borrowings were RMB7,504 million, among which loans denominated in RMB were RMB6,059 million, loans denominated in HK dollars were RMB1,164 million and loans denominated in US dollars were RMB281 million. Among those borrowings, 70.2% of which were classified as non-current liabilities, and 29.8% of which were classified as current liabilities. As at 30 June 2025, the gearing ratio of the Group, calculated based on the percentage of total liabilities over total assets, was 61.3%.

Finance Cost and Exchange Risk Management

For the six months ended 30 June 2025, the Group's interest expense on borrowings was RMB195 million, representing a decrease of 2.0% as compared with the same period of last year.

As of 30 June 2025, the Group's borrowings denominated in foreign currencies amounted to RMB1,445 million. The Group will continue to closely monitor the changes in exchange rates and strive to lower its finance costs through diversified arrangements, and will adopt necessary measures to lower its exchange risk as and when necessary.

OUTLOOK

In the second half of 2025, China's economy will continue the steady pace of the first half, with positive factors supporting the sustained release of recovery momentum. On the one hand, through the rigorous implementation of policies and measures, the cumulative effects of the "policy package" for stabilizing growth will become more evident. Targeted and forceful fiscal policies and monetary policies will maintain reasonably ample liquidity, continuously injecting confidence and vitality into the real economy. On the other hand, improved household income expectations coupled with intensified consumption stimulus measures are expected to more fully unleash consumption potential, positioning it as the pivotal engine for economic rebound. These robust regulatory policies and measures will promote steady economic improvement while injecting fresh growth momentum.

As we move into the second half of 2025, China's economy maintains overall resilience, yet the path forward remains strewn with severe challenges. At the current stage, the global trade landscape continues to undergo restructuring, while the recovery of domestic effective demand is still in progress, with household consumption confidence requiring both time and strong support. Simultaneously, accelerating the development of emerging industries, particularly cultivating and strengthening strategic emerging growth engines such as green and low-carbon and smart IoT sectors, requires breakthroughs across critical fronts. In conclusion, although challenges remain, China's economy in the second half of 2025 will see a more solid recovery foundation and promising growth prospects under the combined effects of policy synergy, accumulated endogenous momentum, and easing external pressures.

In the second half of the year, to achieve core strategic objectives including "more efficient organizational operations, a more resilient business structure, and more abundant cash flow", the Group will further improve its systematic management ecosystem. In terms of management system optimization, the Group will focus on promoting the standardization of management operations and the efficiency of decision execution. Through continuously optimized safety management systems, intelligent customer service platforms, and engineering control processes, it will achieve refined control across the entire business chain, laying a solid institutional foundation for strategy implementation. Regarding talent pipeline development, the Group will prioritize capability matching and structure optimization by improving talent cultivation mechanisms and implementing "experienced staff mentoring new hires" practical training to pass down core technical competencies, ensuring talent supply resonates with strategic transformation. By consolidating the operational foundation through management system upgrades and injecting sustained momentum into the talent pipeline, the Group will drive strategic leapfrog development, comprehensively enhancing corporate risk resilience, market competitiveness, and sustainable development capabilities.

At the core business development level, in the second half of the year, in terms of gas sales business, the Group will actively grasp favorable policies, continue to promote the adjustment of residential gas prices in its operating areas, and further improve the level of comprehensive spreads. At the same time, we will deepen refined management, strengthen measurement management, and effectively reduce transmission error. For large industrial users, the Group implemented the "one policy for one enterprise" model, and provided customized transformation solutions and other measures to provide solid support for the steady growth of gas sales business.

In terms of value-added business, the Group will actively promote the standardization construction of the beauty decoration business and the development of insurance business, so as to expand and extend its business. According to the business development of each region, we cooperated with high-end brands to set up service outlets, strengthen the supporting business of gas appliances, and reduce costs from the source. At the same time, we will build an "online and offline" integrated marketing strategy, increase brand promotion, seize the opportunities of old community renovation, and actively promote product replacement business. In addition, while expanding the market, the Group will improve its after-sales service system and comprehensively enhance customer service capabilities.

Moving forward, the Group will remain steadfast in its core mission of ensuring safe gas supply, prioritizing the secure and stable operation of urban energy lifelines as its paramount responsibility. Simultaneously, the Group will proactively embrace energy transformation through continuous technological investment, management optimization, and service upgrades. We are committed to powering urban development with greener, smarter, and more efficient energy solutions — creating stable returns for shareholders, building growth platforms for employees, and fostering harmonious communities, ultimately realizing sustainable development through harmonious coexistence between business, society and the environment.

PURCHASE, SELL OR REDEEM ANY LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor its subsidiaries had purchased, redeemed or sold any of listed securities of the Company during the Reporting Period.

INTERIM DIVIDENDS

The Group has established a long-term steady dividend policy. Pursuant to the resolutions of the Board on 28 August 2025, the Board declared the payment of an interim dividend for the six months ended 30 June 2025 of RMB4.60 cents per share (the "**Interim Dividend**").

The Interim Dividend will be paid in Hong Kong dollars on or about Friday, 28 November 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 31 October 2025. Further announcement will be made by the Company in relation to the exact amount of the Interim Dividend in Hong Kong dollars when the conversion rate for Renminbi to Hong Kong dollars to be adopted has been determined by the Board.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the shareholders' entitlement to the proposed Interim Dividend, the register of members of the Company will be closed from Friday, 24 October 2025 to Friday, 31 October 2025 (both days inclusive).

In order to be qualified for the entitlement to the proposed Interim Dividend, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 23 October 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

CORPORATE GOVERNANCE CODE

The Company has adopted and been in compliance with the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules during the Reporting Period.

AUDIT COMMITTEE

During the Reporting Period, the audit committee of the Company (the "**Audit Committee**") consisted of three independent non-executive Directors, namely, Mr. Li Liuqing (chairman of the Audit Committee), Mr. Lei Chunyong and Ms. Zhou Lin. The Audit Committee has reviewed this announcement and the unaudited consolidated financial statements of the Group for the Reporting Period.

INTERIM REPORT

The Company's interim report for the Reporting Period will be published on the website of the Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (www.tianlungas.com), and copies of the interim report will be dispatched to the shareholders of the Company in due course.

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

Zhengzhou, the PRC, 28 August 2025

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