

JY GAS LIMITED

交运燃气有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1407



2025

INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman and executive Director

Mr. Luan Linjiang
(resigned with effect from 1 September 2025)
Mr. Luan Xiaolong (Chief Executive Officer) (appointed as
Chairman with effect from 1 September 2025)

Executive Directors

Mr. Luan Linxin
Ms. Xu Huanxia
(appointed with effect from 1 September 2025)

Non-executive Director

Mr. Lui Chun Pong
(appointed with effect from 1 September 2025)

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 Linjiang (Chairman)
(resigned with effect from 1 September 2025)
Mr. Luan Xiaolong (appointed as Chairman with
effect from 1 September 2025)
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)
Mr. Luan Linjiang
(resigned with effect from 1 September 2025)
Ms. Xu Huanxia
(appointed with effect from 1 September 2025)
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

CORPORATE INFORMATION (CONTINUED)

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:

Hogan Lovells

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

With the aim to accelerate the establishment of a clean, low-carbon, safe and efficient new energy system, the PRC government has introduced a series of regulations and policies. These include the Energy Law of the People's Republic of China(《中華人民共和國能源法》), which came into effect on 1 January 2025, as well as the Work Plan for Accelerating the Construction of a Dual Control System for Carbon Emissions(《加快碳排放雙控體系建設工作計劃》). In line with these state-level policies, market-oriented reforms in the power sector have accelerated, and the pace of renewable energy entering the market has quickened.

Driven by the PRC government's policies and market expansion, Shandong Province has prioritised development of green energy and implemented policy measures, such as the 14th Five-Year Energy Development Plan of Shandong Province(《山東省能源發展「十四五」規劃》), and the Shandong Province Carbon Peaking Implementation Plan(《山東省碳達峰實施方案》), which clearly set the target of increasing the proportion of non-fossil energy consumption to around 13% by 2025. These policies provide strong support for the development of the green energy industry. Meanwhile, as global demand for clean energy continues to grow, the green energy market in Shandong Province is set to experience significant growth.

JY Gas Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will continue to follow the government's green and low carbon transformation initiatives, and capture growth opportunities by implementing government subsidised clean energy construction projects to enhance access to natural gas supply of rural residents and enterprises of Gaomi City.

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 expansion of the Group's pipeline network and increasing completion of clean energy projects in rural areas.

The Group will continue to strengthen the efficiency and safety of its operations to solidify its market position as the largest natural gas operator in Gaomi City. In addition to carrying out comprehensive safety inspections and strengthening technical capacities, the Group will also continue to promote and provide gas safety training and education to ensure that all personnel of the Group, to ensure safe use of natural gas by its customers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 2025 (the “**Period**”), the Group primarily generated revenue from its sale of natural gas in Gaomi City. The sale of PNG is its principal business. The Group saw an overall slight decline of its revenue, gross profit which remained stable, and an improvement of its gross profit margin, as compared to the corresponding period in 2024. As at the end of the Period, the Group’s customers of its sale of PNG business included (a) retail customers which comprised 153,541 active residential PNG end-users, 399 active industrial PNG end-users and 5,477 active commercial PNG end-users, representing a change of approximately 0.8%, 6.7% and 6.7% from that as at 31 December 2024; 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 dropped slightly to approximately 45.4 million m³ for the Period from approximately 47.6 million m³ 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 733.4 kilometres of completed mid-pressure pipelines.

The Group 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 2025, the volatile international geopolitical landscape has greatly affected the economy of China. In particular, uncertainty surrounding American trade and tariff policies resulted in less demand for manufacturing activities, which led to weakened natural gas consumption. This negatively impacted the Group, as the majority of its PNG customers are industrial PNG end-users, many of which operate textile or manufacturing factories for export purposes.

During the six months ended 30 June 2025, the Group’s PNG procurement price and LNG procurement price were generally lower than those during the six months ended 30 June 2024, which was in line with the market price of natural gas as a whole.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 RMB165.1 million, representing a slight decrease of 1.4% from RMB167.5 million for the corresponding period in 2024. The Group's sales volume of PNG was approximately 45.4 million m³, representing a decrease of 4.6% from approximately 47.6 million m³ for the corresponding period in 2024.

Sales to retail customers: Revenue generated from PNG sales to retail customers was RMB161.0 million for the Period, representing a decrease of 1.5% from RMB163.5 million for the corresponding period in 2024. 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 m³, 20.3 million m³ and 2.0 million m³, respectively, accounting for approximately 49.5%, 46.0% and 4.5% of the Group's total PNG sales volume to retail customers. Comparatively, for the corresponding period in 2024, PNG sales volume to industrial, residential and commercial PNG end-users was 25.0 million m³, 18.4 million m³ and 2.8 million m³, respectively, representing approximately 54.1%, 39.8% and 6.1% of the Group's total PNG sales volume to retail customers. The aforementioned decrease in revenue generated from the Group's PNG sales to retail customers was mainly due to a decrease in revenue from sales to the Group's industrial and commercial PNG end-users (from RMB111.1 million for the corresponding period in 2024 to RMB102.2 million for the Period) resulting from the slowdown in market growth, changes in consumer demand, and intensified competition in the industrial and commercial sector. In particular, uncertainty due to American trade and tariffs policy and decreased consumer spending especially in the catering industry led to significant drop in industrial and commercial gas consumption in the current period compared to the corresponding period in 2024. Although revenue from sales to residential PNG end-users increased, it was not sufficient to offset the overall decline caused by industrial and commercial PNG end-users.

Sales to our wholesale customer: Revenue generated from PNG sales to our wholesale customers were RMB4.0 million for the Period, which remained at RMB4.0 million for the corresponding period in 2024. During the Period, PNG sales volume to our wholesale customers were 1.4 million m³, which remained stable compared to 1.4 million m³ for the corresponding period in 2024.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 RMB7.3 million, representing a decrease of 27.0% from RMB10.0 million for the corresponding period in 2024. Such decrease was mainly due to (i) the slowdown of industrial and economic activities in Gaomi City resulting in less vehicle use as a whole; and (ii) preference for using electric vehicles by some vehicle users.

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 RMB5.7 million, representing a decrease of 52.5% as compared to RMB12.0 million for the corresponding period in 2024. Such decrease was mainly due to the weak economy as a whole, which muted demand for new properties, resulting in a drop in completion and delivery of new property developments and construction projects.

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 RMB2.0 million, representing a decrease of 51.2% as compared to RMB4.1 million for the corresponding period in 2024. Such decrease was mainly due to decrease in demand for installation of gas stoves and wall-hung gas boilers as the clean energy projects have all completed by the first half of 2025.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Period was RMB180.2 million, representing a decrease of 6.9% as compared to RMB193.6 million for the corresponding period in 2024. Such decrease was mainly due to the decrease in revenue from the Group's sale of PNG to industrial and commercial PNG end-users, and the construction and installation services as mentioned above.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Gross Profit

The Group's gross profit for the Period was RMB28.6 million, which remained stable as compared to RMB28.1 million for the corresponding period in 2024. The Group's gross profit margin increased to 15.9% for the Period from 14.5% for the corresponding period in 2024. This is primarily because, despite the decrease in the Group's revenue, the Group has taken cost control measures by directly procuring more PNG from upstream PNG suppliers as its source of natural gas supply, rather than converting from LNG, which lowers its average cost of PNG.

Administrative expenses

The Group's administrative expenses for the Period was RMB11.3 million, representing an increase of 10.8% as compared to RMB10.2 million for the corresponding period in 2024. Such increase was mainly due to the increase in employee costs and consultation fee.

Provision of net impairment losses on financial assets

The Group recorded a provision of net impairment losses on financial assets of RMB179,000 during the Period, as compared to a reversal of net impairment losses on financial assets of RMB247,000 for the corresponding period in 2024. This was primarily due to the increase in trade receivables from clean energy construction projects.

Other Income

The Group's other income for the Period was RMB1.8 million, which remained as RMB1.8 million for the corresponding period in 2024.

Other gains/(losses), net

The Group recorded other net gains for the Period amounting RMB794,000, as compared to other net gains of RMB1.5 million for the corresponding period in 2024. This was mainly due to the decrease in fair value gain on financial assets.

Finance Costs

The Group's finance costs for the Period were RMB1.6 million, which remained stable as compared to RMB1.5 million for the corresponding period in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Income Tax Expense

The Group's income tax expense for the Period was RMB5.0 million, representing a decrease of 10.7% as compared to RMB5.6 million for the corresponding period in 2024. Such decrease was primarily attributable to a decrease in the Group's profit before income tax. The effective tax rate for the Period was 27.1% (the effective tax rate for the corresponding period in 2024 was 26.6%).

Profit Attributable to Owners of the Company

Profit attributable to owners of the Company for the Period was RMB13.1 million, representing a decrease of 13.8% as compared to RMB15.2 million for the corresponding period in 2024, 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 RMB98.6 million as at 30 June 2025, representing an increase of 10.2% as compared to RMB89.5 million as at 31 December 2024, which was mainly due to the transfer from contract assets related to clean energy construction projects to trade receivables.

Trade and Other Payables

The Group's trade and other payables was RMB85.2 million as at 30 June 2025, representing an increase of 8.0% as compared to RMB78.9 million as at 31 December 2024, which was mainly due to the declaration and payment of final dividends of HK\$0.037 per ordinary share for the year ended 31 December 2024.

Liquidity and Financial Position

The Group's current assets amounted to RMB331.6 million as at 30 June 2025, representing a decrease of 1.8% as compared to RMB337.8 million as at 31 December 2024. As at 30 June 2025, the Group's cash and bank balances amounted to RMB219.8 million.

As at 30 June 2025, the current ratio (current assets/current liabilities) of the Group was 140.8% (134.3% as at 31 December 2024) and the debt ratio of the Group (total liabilities/total assets) was 45.9% (46.7% as at 31 December 2024). As at 30 June 2025, the Group's utilised bank loans amounted to RMB69.0 million, all of which were denominated in RMB, bearing an annual interest rate of 4.3 %. As at 30 June 2025, the Group had no unutilised bank credit. As at 30 June 2025, the Group had lease liabilities of RMB2.0 million, of which RMB0.2 million is analysed as current portion, and RMB1.8 million is analysed as non-current portion.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The gearing ratio of the Group was 22.8% as at 30 June 2025 (19.8% as at 31 December 2024). 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 2025, 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 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 2025, the Group had no material contingent liabilities.

Financial Guarantee Obligations

As at 30 June 2025, the Group had no material financial guarantee obligations.

Pledge of Assets

As at 30 June 2025, the Group had not pledged any assets. (nil as at 31 December 2024)

Charge of Assets

As at 30 June 2025, the Group had no charge on assets.

Significant Investment

During the Period, the Group did not hold any significant investment.

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 Report, the Group did not have future plans for material investments or capital assets that were approved by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Human Resources and Employee Compensation

As at 30 June 2025, the Group employed a total of 148 employees in the PRC as compared to 154 as at 31 December 2024. During the Period, the total employee costs of the Group were RMB6.3 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.

EVENTS AFTER THE PERIOD

The Board was informed by Mr. Song Yujie ("**Mr. Song**"), a substantial shareholder of the Company, that on 4 July 2025, Mr. Song has entered into a share transfer agreement with Huiguo Energy Technology Limited 匯國能源科技有限公司 ("**Huiguo**"), pursuant to which Mr. Song agreed to dispose of, and Huiguo agreed to purchase 88,000,000 ordinary shares of the Company ("**Shares**") from Mr. Song (the "**Disposal**"). Huiguo is an independent third party. The Disposal was conducted off-market at a consideration of HK\$0.86 per Share. Completion of the Disposal took place on 15 July 2025. Immediately after completion of the Disposal, Huiguo held an aggregate of 88,000,000 Shares, representing 20.0% of the total issued share capital of the Company. Accordingly, Mr. Song ceased to be, and Huiguo has become, a substantial shareholder of the Company.

On 15 August 2025, the Company was informed by Huiguo that it further purchased 22,000,000 Shares (the "**Additional Shares**"), representing 5.0% of the total issued share capital of the Company. Such Additional Shares were purchased off-market from other shareholders of the Company, who are independent third parties, at an average consideration of HK\$0.578 per Share. Immediately after completion of such purchase of the Additional Shares, Huiguo held an aggregate of 110,000,000 Shares, representing 25.0% of the total issued share capital of the Company.

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 2025:

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	33.12	15.98	By the end of 2026
Upgrading approximately 43.4 km of the urban pipeline network	20.5%	20.7	11.53	9.17	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	6.75	3.35	By the end of 2026

As at the date this 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 deviation 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.

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 its own code of conduct for securities transactions conducted by the relevant Directors. Specific enquiries have been made to all Directors and each of the Directors has confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding securities transactions by director during the six months ended 30 June 2025.

No incident of non-compliance of the Model Code by the Directors and employees of the Group was noted during the six months ended 30 June 2025.

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 six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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, changes in the information of the Directors are set out below:

- (1) Mr. Luan Linjiang has resigned as an executive Director and the chairman of the Board (the “**Chairman**”), and has ceased to be the chairman of the Nomination Committee and a member of the ESG Committee, with effect from 1 September 2025.
- (2) Mr. Luan Xiaolong has been appointed as the Chairman and the chairman of the Nomination Committee, with effect from 1 September 2025. The Company has entered into a supplemental service contract with Mr. Luan Xiaolong, pursuant to which his remuneration has been increased to RMB960,000 per annum during his term of office as an executive Director, with effect from 1 September 2025.
- (3) Ms. Xu Huanxia has been appointed as an executive Director and a member of the ESG Committee, with effect from 1 September 2025. The Company has entered into a service agreement with Ms. Xu in relation to her appointment as an executive Director for an initial term of one year commencing from 1 September 2025, and shall continue thereafter until terminated by not less than three months’ notice in writing served by either party on the other. Ms. Xu will hold office from 1 September 2025 until the next annual general meeting of the Company and shall then be eligible for re-election at that meeting in accordance with the articles of association of the Company and Listing Rules. Ms. Xu will be entitled to a remuneration of RMB60,000 per annum during her term of office as an executive Director. Details of the biography of Ms. Xu Huanxia, as well as other information relating to her appointment that are required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules, were set out in the announcement dated 29 August 2025.
- (4) Mr. Lui Chun Pong has been appointed as a non-executive Director, with effect from 1 September 2025. The Company has entered into a letter of appointment with Mr. Lui in relation to his appointment as a non-executive Director for an initial term of one year commencing from 1 September 2025, and shall continue thereafter until terminated by not less than one month’s notice in writing served by either party on the other. Mr. Lui will hold office from 1 September 2025 until the next annual general meeting of the Company and shall then be eligible for re-election at that meeting in accordance with the articles of association of the Company and Listing Rules. Mr. Lui will be entitled to a remuneration of HK\$20,000 per month for his term of office as a non-executive Director. Details of the biography of Mr. Lui Chun Pong, as well as other information relating to his appointment that are required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules, were set out in the announcement dated 29 August 2025.

Save as disclosed, there has been no disclosable change in information of the Directors and chief executive of the Company pursuant to Rule 13.51B (1) of the Listing Rules since the publication of the 2024 annual report of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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

As at 30 June 2025, 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%

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 2025.
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.

Save as disclosed above, as at 30 June 2025, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

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 2025, 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 ⁽⁴⁾
Mr. Luan Xiaolong ^{(1), (2), (3)}	Interest in a controlled corporation	217,800,000 (L) ⁽⁵⁾	49.50%
LXL Phoenix ⁽¹⁾	Beneficial owner	184,800,000 (L) ⁽⁵⁾	42.00%
SDJY Holding ⁽²⁾	Interest in a controlled corporation	33,000,000 (L) ⁽⁵⁾	7.50%
SEGM Holding ⁽²⁾	Beneficial owner	33,000,000 (L) ⁽⁵⁾	7.50%
Zhou Zhan ("Ms. Zhou") ⁽³⁾	Interest of spouse	217,800,000 (L) ⁽⁵⁾	49.50%
Mr. Song Yu Jie	Beneficial owner	122,552,000 (L) ⁽⁵⁾	27.85%

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. 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 2025.
5. The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.

CORPORATE GOVERNANCE AND OTHER INFORMATION (CONTINUED)

Save as disclosed above, as at 30 June 2025, 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 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 2025 and this interim report. The Audit Committee has agreed with the management of the Company on the interim results of the Group for the six months ended 30 June 2025.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Unaudited Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Revenue	6(a)	180,185	193,629
Cost of sales	7	(151,591)	(165,555)
Gross profit		28,594	28,074
Administrative expenses	7	(11,326)	(10,236)
(Provision)/reversal of net impairment losses on financial assets		(179)	247
Other income		1,789	1,789
Other gains/(losses), net		794	1,489
Operating profit		19,672	21,363
Finance income	8	290	1,321
Finance costs	8	(1,591)	(1,472)
Finance income and costs, net	8	(1,301)	(151)
Profit before income tax		18,371	21,212
Income tax expense	9	(4,972)	(5,639)
Profit and total comprehensive income for the period		13,399	15,573
Profit and total comprehensive income attributable to:			
Owners of the Company		13,101	15,248
Non-controlling interests		298	325
		13,399	15,573
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	10	0.030	0.035

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 2025

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	11	147,530	149,997
Right-of-use assets	12	9,527	9,696
Investment properties	13	68,200	68,200
Intangible assets		6,146	6,380
Trade receivables	16	8,797	10,946
Other non-current assets	15	5,243	5,536
		245,443	250,755
Current assets			
Inventories	18	9,593	8,587
Contract assets	6(b)	5,318	10,546
Trade and other receivables	16	89,768	78,552
Prepayments and other current assets	17	7,047	15,983
Cash and bank balances		219,839	224,160
		331,565	337,828
Total assets		577,008	588,583

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2025

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Equity			
Share capital		310	310
Share premium and reserves		131,107	145,344
Retained earnings		164,438	152,330
Equity attributable to owners of the Company		295,855	297,984
Non-controlling interests		16,260	15,962
Total equity		312,115	313,946
Liabilities			
Non-current liabilities			
Lease liabilities	21	1,761	1,804
Trade payables	19	11,485	13,534
Borrowings	20	8,500	–
Deferred income tax liabilities		7,653	7,683
		29,399	23,021

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2025

	Note	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Current liabilities			
Trade and other payables	19	73,759	65,380
Contract liabilities	6(b)	96,192	121,822
Current income tax liabilities		4,771	4,133
Borrowings	20	60,561	60,072
Lease liabilities	21	211	209
		235,494	251,616
Total liabilities		264,893	274,637
Total equity and liabilities		577,008	588,583

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

The interim condensed financial information from pages 18 to 52 was approved and authorised by the Board of Directors on 27 August 2025 and was signed on its behalf by:

Luan Linjiang
Chairman and executive director

Luan Xiaolong
Executive director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Unaudited						
		Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Share premium	Reserves	Retained earnings	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Unaudited						
		Attributable to owners of the Company					Non-controlling interests	Total equity
		Share capital	Share premium	Reserves	Retained earnings	Sub-total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 31 December 2023		310	238,947	(82,515)	124,269	281,011	15,759	296,770
Comprehensive income								
Profit for the period		–	–	–	15,248	15,248	325	15,573
Total comprehensive income		–	–	–	15,248	15,248	325	15,573
Transactions with owners in their capacity as owners								
Appropriation to safety fund		–	–	2,196	(2,196)	–	–	–
Utilisation of safety fund		–	–	(1,813)	1,813	–	–	–
Dividends declared		–	(13,048)	–	–	(13,048)	–	(13,048)
Total transactions with owners in their capacity as owners		–	(13,048)	383	(383)	(13,048)	–	(13,048)
Balance at 30 June 2024		310	225,899	(82,132)	139,134	283,211	16,084	299,295

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 2025

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cash flows from operating activities		
Cash (used in)/generated from operations	(4,067)	16,893
Interest received	81	156
Income tax paid	(4,364)	(3,679)
Net cash (outflow)/inflow from operating activities	(8,350)	13,370
Cash flows from investing activities		
Payments for property, plant and equipment	(3,433)	(13,247)
Proceeds from disposal of financial assets at fair value through profit or loss	–	51
Repayments of loan and interest from a related party	–	69,215
Net cash (outflow)/inflow from investing activities	(3,433)	56,019
Cash flows from financing activities		
Proceeds from borrowings	39,490	30,000
Repayments of borrowings	(30,500)	–
Withdrawal of bank deposits	15,000	–
Interest paid	(1,528)	(1,374)
Net cash inflow from financing activities	22,462	28,626
Net increase in cash and cash equivalents	10,679	98,015
Cash and cash equivalents at beginning of the period	209,010	112,211
Effects of exchange rate changes on cash and cash equivalents	–	560
Cash and cash equivalents at end of the period	219,689	210,786
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)	219,689	210,786

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 2025

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 3-212 Governors Square, 23 Lime Tree Bay Avenue, P. O. Box 30746, Seven Mile Beach, Grand Cayman, KY1-1203, 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, Shangdong 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 2025 has not been audited. The interim condensed consolidated financial information have been approved for issue by the Board of Directors on 27 August 2025.

2 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2025 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 2024, which has been prepared in accordance with HKFRS Accounting Standards (“**HKFRSs**”), 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024 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 2025 and are applicable for the Group:

Amendments to HKAS 21 and HKFRS 21 Lack of Exchangeability

Amendments to HKFRSs effective for the financial year beginning on 1 January 2025 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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No mandatory effective date yet determined but available for adoption
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	1 January 2026

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2024, 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 2024.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025 (unaudited)				
– Investment properties	–	–	68,200	68,200
As at 31 December 2024				
– Investment properties	–	–	68,200	68,200

(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 2025 and 2024 are presented in Note 13.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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:

	Fair value As at 30 June		Significant unobservable inputs	Range of inputs As at 30 June		Relationship of unobservable inputs to fair value
	2025 RMB'000	2024 RMB'000		2025 RMB'000	2024 RMB'000	
Investment properties	68,200	68,700	Supplementary land price (RMB)	189/m ²	177/m ²	The higher supplementary land price, the lower fair value
			Adjustments ratio for difference in – location	13%-29%	30%-38%	The lower adjustments factor, the higher fair value
			– floor	80%-100%	80%- 100%	The higher adjustments factor, the higher fair value
			– price after adjustments for valuation date (RMB)	4,240/m ²	6,559/m ²	The lower adjustments factor, the lower fair value

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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.

(a) Revenue from external customers

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue recognised at a point in time:		
Revenue from PNG sales	165,067	167,522
Revenue from CNG and LNG sales	7,330	10,009
Revenue from sales of gas-burning appliances	2,046	4,109
	174,443	181,640
Revenue recognised over time:		
Revenue from construction and installation services	5,742	11,989
Total	180,185	193,629

During the six months ended 30 June 2025 and 2024, no revenue derived from transactions with a single customer representing 10% or more of the Group's total revenue.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025 RMB'000	Audited 31 December 2024 RMB'000
<i>Contract assets</i>		
Construction and installation services	5,318	10,546
<i>Contract liabilities</i>		
PNG sales	84,574	112,902
Construction and installation services	10,440	7,634
CNG and LNG sales	1,178	1,286
	96,192	121,822

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 2025 RMB'000	2024 RMB'000
PNG sales	87,175	76,803
Construction and installation services	5,742	10,227
CNG and LNG sales	1,286	1,545
Sales of gas-burning appliance	–	147
	94,203	88,722

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

7 Expenses by nature

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

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Cost of natural gas (Note 18)	138,613	147,528
Materials used in construction and installation services (Note 18)	100	4,498
Cost of gas-burning appliance sold (Note 18)	924	2,545
Employee benefit expenses	6,337	5,813
Depreciation and amortisation		
– Property, plant and equipment (Note 11)	5,898	5,678
– Right-of-use assets (Note 12)	169	169
– Intangible assets	234	183
Taxes and surcharges	372	470
Repairs and maintenance costs	1,998	2,382
Utility costs	395	428
Vehicle costs	218	365
Outsourced construction labour cost	3,081	2,011
Other expenses	4,578	3,721
Total cost of sales and administrative expenses	162,917	175,791

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

8 Finance income and costs, net

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest income:		
– Bank deposits	81	306
– Loans to a related party (Note 23(f))	–	737
– Imputed interest income on trade receivables	209	278
Total finance income	290	1,321
Interest expense:		
– Bank borrowings	(1,527)	(1,406)
– Interest expense on lease liabilities (Note 21(b))	(64)	(66)
Total finance costs	(1,591)	(1,472)
Finance income and costs, net	(1,301)	(151)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

9 Income tax expense

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Current income tax:		
– PRC enterprise income tax	5,002	5,394
– Deferred income tax	(30)	245
	4,972	5,639

10 Earnings per share

Basic earnings per share for the six months ended 30 June 2025 and 2024 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	
	2025 RMB'000	2024 RMB'000
Profit attributable to owners of the Company (RMB'000)	13,101	15,248
Weighted average number of issued ordinary shares	440,000,000	440,000,000
Basic earnings per share (expressed in RMB per share)	0.030	0.035

As the Company has no dilutive instruments during the six months ended 30 June 2025 (six months ended 30 June 2024: nil), the Group's diluted earnings per share equals to its basic earnings per share.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 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
As at 1 January 2024						
Cost	18,099	170,363	28,325	5,822	6,072	228,681
Accumulated depreciation	(8,795)	(53,340)	(22,104)	(3,195)	–	(87,434)
Net book amount	9,304	117,023	6,221	2,627	6,072	141,247
Six months ended 30 June 2024 (unaudited)						
Opening net book amount	9,304	117,023	6,221	2,627	6,072	141,247
Additions	–	–	629	195	11,066	11,890
Transfers	–	8,787	–	–	(8,787)	–
Depreciation charges	(328)	(4,203)	(865)	(282)	–	(5,678)
Closing net book amount	8,976	121,607	5,985	2,540	8,351	147,459
As at 30 June 2024 (unaudited)						
Cost	18,099	179,150	28,954	6,017	8,351	240,571
Accumulated depreciation	(9,123)	(57,543)	(22,969)	(3,477)	–	(93,112)
Net book amount	8,976	121,607	5,985	2,540	8,351	147,459

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

12 Right-of-use assets

	Land use rights <i>RMB'000</i>	Leased properties <i>RMB'000</i>	Total <i>RMB'000</i>
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 (Note 21)	8,104	1,423	9,527
Six months ended 30 June 2024 (unaudited)			
Opening net book amount	8,464	1,594	10,058
Amortisation charges (Note 21(b))	(112)	(57)	(169)
Closing net book amount	8,352	1,537	9,889

13 Investment properties

	Unaudited Six months ended 30 June	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Opening balance at beginning of the period	68,200	69,000
Loss from fair value adjustment	—	(300)
Closing balance at end of the period	68,200	68,700

During the six months ended 30 June 2025 and 2024, 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	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Rental income (Notes 23(e)(i))	1,789	1,789
Fair value losses recognised for the period	—	(300)

The investment property is freehold and located at No. 2268 West Shi'an Road, Mishui Jiedao, Gaomi, Weifang, Shandong Province, the PRC. The property is occupied as a retail/wholesale outlet.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

13 Investment properties (continued)

The investment properties held have committed tenants for the next 1.5 years (30 June 2024: 0.5 year). At the end of the reporting period, the Group had contracted with tenants for the following minimum lease payments:

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Within one year	3,900	1,950
In the second to fifth years inclusive	1,950	–
	5,850	1,950

14 Financial instruments by category

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Financial assets at amortised cost		
Trade and other receivables (Note 16)	98,565	89,498
Cash and bank balances	219,839	224,160
	318,404	313,658
Financial liabilities at amortised cost		
Borrowings (Note 20)	69,061	60,072
Trade and other payables (excluding salaries and staff welfare payable and tax payable)	73,380	64,080
Lease liabilities (Note 21)	1,972	2,013
	144,413	126,165

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

15 Other non-current assets

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Prepayments for		
– Land use rights	4,188	4,188
– Gas pipelines maintenance services	197	484
– Service charges	676	676
– Property, plant and equipment	182	188
	5,243	5,536

16 Trade and other receivables

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Non-current		
Trade receivables		
– Third parties	9,210	11,460
Less: Provision for impairment of trade receivables	(413)	(514)
	8,797	10,946
Current		
Trade receivables		
– Related parties (Note 23(h))	5,217	3,819
– Third parties	78,360	71,112
Less: Provision for impairment of trade receivables	(3,494)	(3,133)
Trade receivables – net	80,083	71,798
Other receivables		
– Related parties (Note 23 (h))	8,450	6,500
– Third parties	26,792	25,690
	35,242	32,190
Less: Provision for impairment of other receivables	(25,557)	(25,436)
Other receivables – net	9,685	6,754
	89,768	78,552
Total trade and other receivables, net	98,565	89,498

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 1 year	15,382	16,849
1 – 2 years	26,219	17,909
2 – 3 years	27,109	28,986
Over 3 years	24,077	22,647
	92,787	86,391

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.

As at 30 June 2025 and 31 December 2024, trade receivables (before provision of impairment) of the clean energy projects which with local governments in the Gaomi City for the sales of certain gas-burning appliance and the provision of certain construction and installation services amounted to RMB80,537,000 and RMB79,168,000 respectively. 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.

- (b) Except the loan balance due from Gaomi Jiaoyun Property Co., Ltd.* (高密市交運置業有限公司) (“Jiaoyun Property”) described in Note 23(f), other receivables are unsecured, interest free and repayable on demand.
- (c) The carrying amounts of trade and other receivables are all denominated in RMB.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

16 Trade and other receivables (continued)

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

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
At beginning of the period	3,647	3,538
Provision	260	313
Reversal	–	(169)
At the end of the period	3,907	3,682

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	
	2025 RMB'000	2024 RMB'000
At beginning of the period	25,436	25,786
Provision	121	–
Reversal	–	(362)
At the end of the period	25,557	25,424

The carrying amounts of other receivables approximate their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

17 Prepayments and other current assets

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Prepayments for:		
– Natural gas and other construction materials	5,765	15,367
– Others	1,282	616
	7,047	15,983

18 Inventories

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Natural gas related security inspection materials and other construction materials	8,809	7,624
Gas-burning appliance	784	963
	9,593	8,587

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

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Natural gas	138,613	147,528
Construction materials	100	4,498
Gas-burning appliance	924	2,545
	139,637	154,571

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

19 Trade and other payables

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Non-current		
Trade payables		
– Third parties	11,485	13,534
Current		
Trade payables		
– Third parties	38,051	40,415
– Related parties (Note 23(h))	4,447	4,141
	42,498	44,556
Other payables		
– Value-added tax payable	9,746	11,364
– Other taxes payable	322	398
– Amounts due to related parties (Note 23(h))	1,817	1,817
– Salaries and staff welfare payable	1,796	3,072
– Dividend payable	15,230	226
– Others	2,350	3,947
	31,261	20,824
	73,759	65,380
Total trade and other payables	85,244	78,914

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025 RMB'000	Audited 31 December 2024 RMB'000
Less than 1 year	8,741	27,596
1 – 2 years	16,609	20,399
2 – 3 years	19,741	6,812
Over 3 years	8,892	3,283
	53,983	58,090

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 2025 RMB'000	Audited 31 December 2024 RMB'000
Current		
Bank borrowings		
– Guaranteed by related parties	68,980	59,990
Interest payable	81	82
	69,061	60,072
Borrowings		
– Current	60,561	60,072
– Non-current	8,500	–
	69,061	60,072

As at 30 June 2025, bank borrowings of RMB68,980,000 were guaranteed by certain related parties (Note 23 (d)) (31 December 2024: RMB59,990,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

21 Leases

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Right-of-use assets (Note 12)		
– Land use rights	8,104	8,216
– Leased properties	1,423	1,480
	9,527	9,696
Lease liabilities		
– Current	211	209
– Non-current	1,761	1,804
	1,972	2,013

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

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Depreciation charge (Note 12)		
– Leased properties	57	57
– Land use rights	112	112
	169	169
Interest expenses (Note 8)	64	66

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

21 Leases (continued)

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Leases are payable:		
Within 1 year	211	209
Between 1 and 2 years	215	213
Between 2 and 5 years	1,142	1,131
Over 5 years	1,394	1,513
Minimum lease payments	2,962	3,066
Future finance charges	(990)	(1,053)
	1,972	2,013

22 Dividends

As approved by the shareholders at the Annual General Meeting held on 18 June 2025, a final dividend of HKD0.037 per ordinary share of the Company for the year ended 31 December 2024, totalling HKD16,280,000 (equivalent to RMB15,230,000), was distributed to shareholders on 1 August 2025.

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025 and 2024.

(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 2025 and 2024.

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 Market Co., Ltd. (高密市交運市場有限公司) ("Jiaoyun Market")	Controlled by Mr. Luan Linjiang
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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

23 Related party transactions (continued)

(b) Purchases of goods and services

(i) Purchases of goods

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Shandong Shihua	103,180	85,544

(ii) Purchases of subcontract services

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Jiaoyun Property	326	472

(iii) Purchases of other services

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Jiaoyun Property	—	1,882

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

	Unaudited Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Jiaoyun Property	—	221
Guorui Real Estate	2	48
	2	269

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

23 Related party transactions (continued)

(d) Guarantees provided by related parties for borrowings

As at 30 June 2025, bank borrowings of RMB49,980,000 were guaranteed by Jiaoyun Thermal, Jiaoyun Property, Mr. Luan Linjiang, Ms. Cui Shuhua, Mr. Luan Xiaolong and Ms. Zhou Zhan; bank borrowing of RMB9,500,000 was guaranteed by Mr. Luan Xiaolong, Ms. Zhou Zhan and Gaomi Jiaoyun Group Co., Ltd. ("Gaomi Jiaoyun") and bank borrowing of RMB9,500,000 was guaranteed by Mr. Luan Xiaolong, Mr. Luan Linjiang, Ms. Zhou Zhan, Ms Cui Shuhua and Gaomi Jiaoyun (Note 20).

(e) Property leasing

(i) Rental income

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Jiaoyun Market	1,789	1,789

(ii) Rental expenses

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Mr. Luan Linjiang	157	213
Jiaoyun Car Transport	194	89
	351	302

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

23 Related party transactions (continued)

(f) Loans to a related party

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
At beginning of the period/year	–	68,115
Repayments during the period/year	–	(69,215)
Interest charged	–	737
	–	(363)
Reversal of loss allowance	–	363
At end of the period/year	–	–

The Group provided a series of short-term loans to Jiaoyun Property with a fixed interest rate of 6% per annum. On 5 March 2024, the loan balance and the related interest receivable were fully repaid.

(g) Expenses of seconded employees

	Unaudited Six months ended 30 June 2025 RMB'000	2024 RMB'000
Shandong Shihua	–	120

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

23 Related party transactions (continued)

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Receivables from related parties		
Trade receivables (Note 16)		
– Jiaoyun Property	3,722	2,328
– Jiaoyun Taxi	904	903
– Guorui Real Estate	591	588
	5,217	3,819
Other receivables (Note 16)		
– Jiaoyun Market	8,450	6,500
	8,450	6,500
Prepayments		
– Shandong Shihua	4,739	13,009
	4,739	13,009

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

23 Related party transactions (continued)

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Payables to related parties		
Trade payables		
– Yuanhua Trading	544	574
– Jiaoyun Construction Machinery	39	39
– Jiaoyun Property	3,864	3,528
	4,447	4,141
Other payables		
– Mr. Luan Linjiang	549	549
– QMIG	226	226
– Jiaoyun Property	413	413
– Jiaoyun Car Transport	629	629
	1,817	1,817

All the trade and other payable balances with related parties are trade in nature.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

23 Related party transactions (continued)

(i) 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	
	2025 RMB'000	2024 RMB'000
Salaries and other short-term employee benefits		
– Directors	148	140
– Other key management	174	183
	322	323

24. Events after the reporting date

The Board was informed by Mr. Song Yujie (“**Mr. Song**”), a substantial shareholder of the Company, that on 4 July 2025, Mr. Song has entered into a share transfer agreement with Huiguo Energy Technology Limited 匯國能源科技有限公司 (“**Huiguo**”), pursuant to which Mr. Song agreed to dispose of, and Huiguo agreed to purchase 88,000,000 ordinary shares of the Company (“**Shares**”) from Mr. Song (the “**Disposal**”). Huiguo is an independent third party. The Disposal was conducted off-market at a consideration of HK\$0.86 per Share. Completion of the Disposal took place on 15 July 2025. Immediately after completion of the Disposal, Huiguo held an aggregate of 88,000,000 Shares, representing 20.0% of the total issued share capital of the Company. Accordingly, Mr. Song ceased to be, and Huiguo has become, a substantial shareholder of the Company.

On 15 August 2025, the Company was informed by Huiguo that it further purchased 22,000,000 Shares (the “**Additional Shares**”), representing 5.0% of the total issued share capital of the Company. Such Additional Shares were purchased off-market from other shareholders of the Company, who are independent third parties, at an average consideration of HK\$0.578 per Share. Immediately after completion of such purchase of the Additional Shares, Huiguo held an aggregate of 110,000,000 Shares, representing 25.0% of the total issued share capital of the Company.

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