濱 海 投 資 有 限 公 司
BINHAI INVESTMENT COMPANY LIMITED
*(Incorporated in Bermuda with limited liability)*
**(Stock Code: 2886)**

# INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Binhai Investment Company Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2026 (the "**Period**") together with the comparative unaudited figures for the corresponding period in 2025. The unaudited condensed consolidated interim financial statements have been reviewed by the audit committee of the Company (the "**Audit Committee**").

## FINANCIAL HIGHLIGHTS

| | **Unaudited Six months Ended 30 June 2026** ***RMB'000*** | Unaudited Six months Ended 30 June 2025 *RMB'000* (Restated) | Percentage Change |
|---|---|---|---|
| Revenue | **2,939,688** | 2,718,612 | 8% |
| Gross profit | **296,185** | 287,572 | 3% |
| Profit for the Period | **183,741** | 163,708 | 12% |
| Basic earnings per share attributable to owners of the Company during the Period | **13.16 cents** | 11.63 cents | 13% |

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* | Percentage Change |
|---|---|---|---|
| Total assets | **7,417,309** | 7,395,422 | 0% |
| Total equity | **2,318,369** | 2,241,258 | 3% |
| Total liabilities | **5,098,940** | 5,154,164 | -1% |

## FINANCIAL INFORMATION

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2026*

| | | **Unaudited** | |
|---|---|---|---|
| | | **Six months ended 30 June** | |
| | | **2026** | 2025 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| | | | (Restated) |
| Revenue from contracts with customers | *6* | **2,939,688** | 2,718,612 |
| Cost of sales and services | *9* | **(2,643,503)** | (2,431,040) |
| **Gross profit** | | **296,185** | 287,572 |
| Other income | *7* | **57,192** | 12,072 |
| Administrative expenses | *9* | **(90,222)** | (83,555) |
| Research and development expenses (R&D) | *9* | **(47,858)** | (46,790) |
| Reversal of impairment losses on financial assets and contract assets | | **7,112** | 10,344 |
| Other gains and losses | *8* | **36,545** | 59,427 |
| **Operating profit** | | **258,954** | 239,070 |
| Finance income | *10* | **1,153** | 1,921 |
| Finance costs | *10* | **(32,057)** | (42,192) |
| Finance costs – net | *10* | **(30,904)** | (40,271) |
| Share of results of associates and joint ventures accounted for using the equity method | | **6,047** | 6,905 |
| **Profit before income tax** | | **234,097** | 205,704 |
| Income tax expense | *11* | **(50,356)** | (41,996) |
| **Profit for the Period** | | **183,741** | 163,708 |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)**

*For the six months ended 30 June 2026*

| | | Unaudited | |
|---|---|---|---|
| | | Six months ended 30 June | |
| | | **2026** | 2025 |
| | *Notes* | ***RMB'000*** | *RMB'000* |
| | | | (Restated) |
| **Profit for the Period attributable to:** | | | |
| – Owners of the Company | | **180,270** | 160,285 |
| – Non-controlling interests | | **3,471** | 3,423 |
| | | **183,741** | 163,708 |
| | | ***RMB cents*** | *RMB cents* |
| | | | (Restated) |
| **Earnings per share attributable to owners of the Company:** | *13* | | |
| – Basic earnings per share | | **13.16** | 11.63 |
| – Diluted earnings per share | | **13.16** | 11.63 |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2026*

| | Notes | **Unaudited As at 30 June 2026 RMB'000** | Audited As at 31 December 2025 RMB'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current Assets** | | | |
| Property, plant and equipment | *14* | **5,922,536** | 5,872,151 |
| Right-of-use assets | | **201,202** | 192,522 |
| Investment properties | | **336** | 343 |
| Intangible assets | | **65,907** | 62,064 |
| Investments in associates and joint ventures | | **314,090** | 310,806 |
| Prepayments | | **47,891** | 44,957 |
| Deferred tax assets | *20* | **25,786** | 25,552 |
| Restricted bank deposits | | **10,526** | 4,875 |
| | | **6,588,274** | 6,513,270 |
| **Current Assets** | | | |
| Inventories | | **103,782** | 99,624 |
| Trade and other receivables | *15* | **256,042** | 223,912 |
| Notes receivable | | **10,313** | 33,074 |
| Contract assets | | **8,908** | 13,477 |
| Prepayments | | **223,780** | 315,145 |
| Term deposits | | **78,858** | 20,570 |
| Restricted bank deposits | | **–** | 231 |
| Cash and cash equivalents | | **147,352** | 163,273 |
| | | **829,035** | 869,306 |
| Assets classified as held for sale | | **–** | 12,846 |
| | | **829,035** | 882,152 |
| **Total Assets** | | **7,417,309** | 7,395,422 |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

*As at 30 June 2026*

| | Notes | Unaudited As at 30 June 2026 *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | | **223,098** | 223,098 |
| – Ordinary shares | *16* | **117,455** | 117,455 |
| – Redeemable preference shares | *16* | **105,643** | 105,643 |
| Treasury stocks | | **(17,515)** | (11,595) |
| Share premium | | **34,198** | 34,053 |
| Other reserves | | **338,882** | 337,926 |
| Retained earnings | | **1,674,768** | 1,593,139 |
| Equity attributable to owners of the Company | | **2,253,431** | 2,176,621 |
| Non-controlling interests | | **64,938** | 64,637 |
| **Total Equity** | | **2,318,369** | 2,241,258 |
| **LIABILITIES** | | | |
| **Non-current Liabilities** | | | |
| Borrowings | *18* | **2,525,517** | 1,798,697 |
| Deferred income | *19* | **137,898** | 135,697 |
| Lease liabilities | | **7,010** | 8,867 |
| Deferred tax liabilities | *20* | **16,559** | 16,871 |
| | | **2,686,984** | 1,960,132 |
| **Current Liabilities** | | | |
| Trade and other payables | *17* | **1,143,441** | 1,260,145 |
| Financial liabilities at FVTPL | | **–** | 26 |
| Contract liabilities | | **454,651** | 729,136 |
| Current income tax liabilities | | **50,428** | 55,936 |
| Borrowings | *18* | **756,881** | 1,128,103 |
| Lease liabilities | | **6,555** | 8,463 |
| | | **2,411,956** | 3,181,809 |
| Liabilities directly associated with assets classified as held for sale | | **–** | 12,223 |
| | | **2,411,956** | 3,194,032 |
| **Total Liabilities** | | **5,098,940** | 5,154,164 |
| **Total Equity and Liabilities** | | **7,417,309** | 7,395,422 |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 June 2026*

Changes in equity of the Group during the six months ended 30 June 2026 and 2025 are as follows:

| | Unaudited | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Attributable to owners of the Company | | | | | | | |
| | Share capital *RMB'000* | Share premium *RMB'000* | Treasury stock *RMB'000* | Other reserves *RMB'000* | Retained earnings *RMB'000* | Total *RMB'000* | Non-controlling interests *RMB'000* | Total Equity *RMB'000* |
| **At 1 January 2026 (audited)** | **223,098** | **34,053** | **(11,595)** | **337,926** | **1,593,139** | **2,176,621** | **64,637** | **2,241,258** |
| Profit for the Period | – | – | – | – | 180,270 | 180,270 | 3,471 | 183,741 |
| Dividends provided for and paid | – | – | – | – | (98,641) | (98,641) | – | (98,641) |
| Approved dividends for non-controlling interests | – | – | – | – | – | – | (3,170) | (3,170) |
| Repurchase of treasury shares | – | – | (5,920) | – | – | (5,920) | – | (5,920) |
| Recognition of equity-settled share-based payment | – | – | – | 1,101 | – | 1,101 | – | 1,101 |
| Others | – | 145 | – | (145) | – | – | – | – |
| **At 30 June 2026 (unaudited)** | **223,098** | **34,198** | **(17,515)** | **338,882** | **1,674,768** | **2,253,431** | **64,938** | **2,318,369** |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

*For the six months ended 30 June 2025*

| | Unaudited | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Attributable to owners of the Company | | | | | | | |
| | Share capital | Share premium | Treasury stock | Other reserves | Retained earnings | Total | Non-controlling interests | Total Equity |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | (Restated) | (Restated) | (Restated) | (Restated) | (Restated) | (Restated) | (Restated) | (Restated) |
| **At 1 January 2025 (audited)** | 244,261 | 34,053 | (6,676) | 291,117 | 1,527,233 | 2,089,988 | 77,520 | 2,167,508 |
| Profit for the Period | – | – | – | – | 160,285 | 160,285 | 3,423 | 163,708 |
| Dividends provided for and paid | – | – | – | – | (95,594) | (95,594) | – | (95,594) |
| Approved dividends for non-controlling interests | – | – | – | – | – | – | (15,518) | (15,518) |
| Repurchase of treasury shares | – | – | (3,206) | – | – | (3,206) | – | (3,206) |
| Approved redemption of preferences shares | (21,163) | – | – | – | – | (21,163) | – | (21,163) |
| Contribution from non-controlling interests | – | – | – | – | – | – | 152 | 152 |
| **At 30 June 2025 (unaudited)** | 223,098 | 34,053 | (9,882) | 291,117 | 1,591,924 | 2,130,310 | 65,577 | 2,195,887 |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*For the six months ended 30 June 2026*

| | Unaudited | |
|---|---|---|
| | Six months ended 30 June | |
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| **Cash flows from operating activities** | | |
| Cash generated from operating activities | **71,002** | 91,356 |
| Interest received | **1,152** | 1,920 |
| Income tax paid | **(56,410)** | (56,945) |
| **Net cash inflow from operating activities** | **15,744** | 36,331 |
| **Cash flows from investing activities** | | |
| Payments for property, plant and equipment | **(155,733)** | (153,919) |
| Payments for land use rights | **(10,157)** | – |
| Payments for intangible assets | **(209)** | (172) |
| Proceeds from disposal of property, plant and equipment | **269** | 126 |
| Net increase in restricted bank deposits | **(5,420)** | (17,966) |
| Placement of term deposits | **(78,858)** | (32,000) |
| Withdrawal of term deposits | **20,570** | 18,788 |
| Proceeds from disposal of a subsidiary | **2,048** | 294 |
| Dividends from an associate | **2,763** | 2,829 |
| Government grant received | **6,832** | 2,291 |
| **Net cash used in investing activities** | **(217,895)** | (179,729) |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

*For the six months ended 30 June 2026*

| | Unaudited | |
|---|---|---|
| | Six months ended 30 June | |
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | **1,727,353** | 836,825 |
| Repayments of borrowings | **(1,374,166)** | (585,442) |
| Principal elements of lease payments | **(1,740)** | (260) |
| Interest paid | **(60,656)** | (72,531) |
| Payments on repurchase of shares | **(5,920)** | (3,206) |
| Contribution from non-controlling interests | **–** | 152 |
| Dividend paid to the Company's shareholders | **(98,641)** | (95,594) |
| **Net cash inflow from financing activities** | **186,230** | 79,944 |
| **Net decrease in cash and cash equivalents** | **(15,921)** | (63,454) |
| Cash and cash equivalents at the beginning of the Period | **163,273** | 361,271 |
| **Cash and cash equivalents at the end of the Period** | **147,352** | 297,817 |

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 June 2026*

### 1. GENERAL INFORMATION

The Company was incorporated in Bermuda on 8 October 1999, with its principal place of business at Suites 3205-07, 32/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. Its ordinary shares are listed on The Stock Exchange of Hong Kong Limited ("**HKEx**").

The Company is an investment holding company.

As at 30 June 2026, TEDA Hong Kong Property Company Limited ("**TEDA HK**") (an indirect subsidiary of Tianjin TEDA Investment Holding (Group) Co., Ltd. ("**TEDA**")), together with TEDA's other subsidiaries, held approximately 42.41% of the total ordinary shares of the Company in issue (excluding treasury shares), and Great Wall Energy Investment (Hong Kong) Limited ("**Great Wall Energy HK**") (a wholly-owned subsidiary of China Petroleum & Chemical Corporation ("**Sinopec**")) held approximately 29.68% of the total ordinary shares of the Company in issue (excluding treasury shares). TEDA is the largest ultimate shareholder of the Company and Sinopec is the second largest ultimate shareholder of the Company.

The Group's condensed consolidated interim financial statements are presented in Renminbi ("**RMB**") and the functional currency of the Company and its subsidiaries is RMB.

### 2. BASIS OF PREPARATION

#### (i) Compliance with HKAS 34 and Listing Rules

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the HKEx (the "**Listing Rules**").

During the year of 2025, the Company changed its presentation currency from Hong Kong dollar ("**HK$**") to RMB. Taking into account that the major business and assets of the Group are located in Mainland of the People's Republic of China (the "**PRC**") and its subsidiaries mainly use RMB as their presentation currency, the Board considers that it is more appropriate to use RMB as the presentation currency for the Group's consolidated financial statements. The change of presentation currency will enable the shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance. The comparative information has been restated to reflect the change in presentation currency to RMB accordingly.

#### (ii) Historical cost convention

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair values.

**(iii) Going concern**

As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB1,582,921,000 (as at 31 December 2025: approximately RMB2,311,880,000). The Group's current liabilities as at 30 June 2026 included primarily trade and other payables, contract liabilities and current borrowings of approximately RMB1,143,441,000, RMB454,651,000 and RMB756,881,000, respectively.

Based on the considerations that 1) the Group will maintain its profitability and generate net cash from its operations, and 2) the Group has access to contracted or secured loan facilities totaling approximately RMB972,301,000 from certain banks and other financial institutions as of the date of approval of these consolidated financial statements, management concluded that the Group will have sufficient financial resources to support its operations and to meet its financial obligations and commitments as and when they fall due in the coming twelve months from 30 June 2026.

The Directors have reviewed the management's assessment together with the underlying basis and are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

## 3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied and methods of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2025.

**Amended standards adopted by the Group**

The Group has adopted the following amended standards, which is mandatorily effective for the accounting periods beginning on or after 1 January 2026 and do not have a material impact on the Group:

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

**New and amended standards and interpretations not yet adopted**

New and amendments to standards and interpretations have been issued but are not yet effective for the reporting period ended 30 June 2026 and have not been early adopted by the Group in advance. These new and amendments to standards and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 4. ESTIMATES

The preparation of interim 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 expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim 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 annual consolidated financial statements for the year ended 31 December 2025.

## 5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. As at 30 June 2026, the Group did not use any derivative financial instruments to hedge against its financial risk exposures.

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

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

### 5.2 Liquidity risk

The Company has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management needs. The Group manages liquidity risk by maintaining adequate reserves, bank credit lines and standby borrowing arrangements, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Board is satisfied that the Group has adequate financial resources to meet all its financial obligations and emergency funding needs.

### 5.3 Fair value estimation

Financial instruments measured at fair value are analysed into the following fair value measurement hierarchy:

- level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

- level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers between different levels of the fair value hierarchy during the Period.

During the Period, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

Fair value of the financial assets and financial liabilities that are not measured at fair value on recurring basis:

The Directors consider that the carrying amounts of other financial assets and financial liabilities carried at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

## 6. SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company (the "**Executive Directors**") that makes strategic decisions.

During the Period, in light of the ongoing development and expansion of value-added services, the Group has carried out integration and enhancement of its existing business lines. Specifically, sales of gas appliances, small-scale assembling services, maintenance services, and insurance agency services have been formally rebranded as smart homes, in-home services, extended maintenance services and insurance business, respectively. These services have been consolidated into a unified value-added services framework, with the objective of providing customers with a more professional, convenient, and comprehensive one-stop service experience, thereby further strengthening brand value and customer satisfaction.

The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources of the Group. The Executive Directors have determined the following operating segments based on these internal reports.

| | | |
|---|---|---|
| Sales of piped natural gas | – | Sales of piped natural gas through the Group's pipeline networks to residential households and commercial and industrial customers |
| Construction and gas pipeline installation service | – | Construction of gas pipelines and installation of appliances to connect customers to the Group's pipeline networks under gas construction and installation service contracts |
| Gas passing through service | – | Transportation of natural gas to customers through the Group's pipeline networks |
| Value-added services | – | Including smart homes, in-home services, extended maintenance services and insurance business |

The Executive Directors assess the performance of the operating segments based on segment results. Segment results are measured as gross profit of each segment. The segment revenue, results and other segment information are analysed as follows:

| | Unaudited | | | | |
|---|---|---|---|---|---|
| **Six months ended 30 June 2026** | **Sales of piped natural gas** *RMB'000* | **Construction and gas pipeline installation service** *RMB'000* | **Gas passing through service** *RMB'000* | **Value-added services** *RMB'000* | **Total** *RMB'000* |
| **Total segment revenue from external customers** | **2,805,249** | **72,036** | **23,413** | **38,990** | **2,939,688** |
| *Recognised at a point in time* | **2,805,249** | **–** | **23,413** | **38,990** | **2,867,652** |
| *Recognised over time* | **–** | **72,036** | **–** | **–** | **72,036** |
| **Segment results** | **208,502** | **39,261** | **20,401** | **28,021** | **296,185** |
| – Other income | | | | | **57,192** |
| – Administrative expenses | | | | | **(90,222)** |
| – Research and development expenses (R&D) | | | | | **(47,858)** |
| – Reversal of impairment losses on financial assets and contract assets | | | | | **7,112** |
| – Other gains and losses | | | | | **36,545** |
| – Finance income | | | | | **1,153** |
| – Finance costs | | | | | **(32,057)** |
| – Share of results of associates and joint ventures accounted for using equity method, net | | | | | **6,047** |
| **Profit before income tax** | | | | | **234,097** |
| **Other segment information:** | | | | | |
| Depreciation (included in cost of sales and services) | **63,857** | **136** | **2,560** | **73** | **66,626** |
| Depreciation (included in administrative expenses and R&D) | | | | | **35,658** |
| | | | | | **102,284** |

| Six months ended 30 June 2025 | Unaudited | | | | |
|---|---|---|---|---|---|
| | **Sales of piped natural gas** | **Construction and gas pipeline installation service** | **Gas passing through service** | **Value-added service** | **Total** |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| | (Restated) | (Restated) | (Restated) | (Restated) | (Restated) |
| **Total segment revenue from external customers** | 2,542,624 | 115,915 | 25,134 | 34,939 | 2,718,612 |
| *Recognised at a point in time* | 2,542,624 | – | 25,134 | 34,939 | 2,602,697 |
| *Recognised over time* | – | 115,915 | – | – | 115,915 |
| **Segment results** | 175,426 | 66,696 | 21,892 | 23,558 | 287,572 |
| – Other income | | | | | 12,072 |
| – Administrative expenses | | | | | (83,555) |
| – Research and development expenses (R&D) | | | | | (46,790) |
| – Reversal of impairment losses on financial assets and contract assets | | | | | 10,344 |
| – Other gains and losses | | | | | 59,427 |
| – Finance income | | | | | 1,921 |
| – Finance costs | | | | | (42,192) |
| – Share of results of associates and joint ventures accounted for using the equity method | | | | | 6,905 |
| **Profit before income tax** | | | | | 205,704 |
| **Other segment information** | | | | | |
| Depreciation (included in cost of sales and services) | 61,551 | 228 | 2,766 | 69 | 64,614 |
| Depreciation (included in administrative expenses and R&D) | | | | | 32,167 |
| | | | | | 96,781 |

## 7. OTHER INCOME

| | Unaudited Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Government grants | **52,529** | 8,964 |
| Assembling services income | **4,494** | 2,712 |
| Rental income | **169** | 396 |
| | **57,192** | 12,072 |

## 8. OTHER GAINS AND LOSSES

| | Unaudited Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Net gains from compensation for damaged gas stations and pipelines | **16,602** | 50,584 |
| Net losses on disposal of property, plant and equipment | **(56)** | (64) |
| Net foreign exchange gains | **16,035** | 10,614 |
| Net gains on disposal of a subsidiary | **2,175** | 452 |
| Net gains on financial instruments measured at fair value through profit or loss | **79** | – |
| Others | **1,710** | (2,159) |
| | **36,545** | 59,427 |

## 9. EXPENSES BY NATURE

| | Unaudited Six months ended 30 June 2026 RMB'000 | 2025 RMB'000 (Restated) |
|---|---|---|
| Cost of gas purchased | **2,428,769** | 2,212,110 |
| Employee benefit expense | **138,593** | 129,266 |
| Depreciation | **102,284** | 96,781 |
| – Property, plant and equipment | **94,180** | 88,803 |
| – Right-of-use assets | **8,104** | 7,978 |
| Subcontractor and other costs | **18,255** | 26,453 |
| Safety production expenses | **20,936** | 20,341 |
| Costs of pipeline and other material purchased | **14,305** | 13,627 |
| Repair expenses | **7,960** | 6,963 |
| Other professional fees | **6,847** | 4,076 |
| Expenses relating to short term leases | **916** | 1,746 |
| Amortisation – intangible assets | **2,432** | 2,043 |
| Others | **40,286** | 47,979 |
| Total cost of sales and services and administrative expenses and R&D | **2,781,583** | 2,561,385 |

## 10. FINANCE INCOME AND COSTS

| | Unaudited Six months ended 30 June 2026 RMB'000 | 2025 RMB'000 (Restated) |
|---|---|---|
| Finance income: | | |
| – Interest income on bank deposits | **1,153** | 1,921 |
| Finance costs: | | |
| – Interest expenses | **(63,068)** | (77,487) |
| *Less:* amounts capitalised as construction in progress | **31,011** | 35,295 |
| | **(32,057)** | (42,192) |
| Finance costs – net | **(30,904)** | (40,271) |

## 11. INCOME TAX EXPENSE

| | Unaudited Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Current income tax | **50,902** | 42,224 |
| Deferred income tax charge *(Note 20)* | **(546)** | (228) |
| | **50,356** | 41,996 |

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

Binhai Investment Hong Kong Company Limited ("**Binhai HK**") is a resident of the Hong Kong Special Administrative Region under the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" for the calendar year 2025 to 2027.

According to the PRC Corporate Income Tax Law (the "**CIT Law**"), the dividends as declared by PRC incorporated subsidiaries to their foreign immediate holding companies (incorporated outside Mainland China) relating to the profits made subsequent to 1 January 2008 are subject to withholding income tax on dividend ("**Dividend Tax**") at the rate of 10% with reduced rates available under certain conditions according to relevant international tax treaties.

The Group is liable to Dividend Tax on dividends actually declared and distributed from the unremitted earnings of the PRC incorporated subsidiaries as accumulated subsequent to 1 January 2008. As Binhai HK has acquired Certificate of Resident Status from 2023, reduced rate of Dividend Tax was applied.

In accordance with the "Notice of the State Tax Bureau of the Ministry of Finance Regarding Certain Preferential Treatment Policies on Corporate Income Tax", New and High Technical Enterprise was subject to income tax at a preferential tax rate of 15%. Tianjin TEDA Binhai Clean Energy Group Company Limited* ("**Tianjin Clean Energy**") (天津泰達濱海清潔能源集團有限公司) was recognised as a New and High Technical Enterprises on 8 December 2025 in accordance with the CIT Law for 3 years and hence is subject to the preferential tax rate of 15% for the years from 2025 to 2027. Tianjin Bintou Xinzhi Technology Company Limited was recognised as a New and High Technical Enterprises on 3 December 2024 in accordance with the CIT Law for 3 years and hence is subject to the preferential tax rate of 15% for the years from 2024 to 2026.

Other subsidiaries established in the PRC are subject to income tax at the statutory tax rate of 25% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 25%).

The Company was established in Bermuda, which is a tax free country.

## 12. DIVIDEND

During the Period, a final dividend of HK$0.0836 per ordinary share in respect of the year ended 31 December 2025 (the "**2025 Final Dividend**") was recommended by the Board (a final dividend of HK$0.076 per ordinary share was recommended for the year ended 31 December 2024) and approved at the annual general meeting held on 8 May 2026. The total 2025 Final Dividend amounted to approximately HK$114,235,000 (equivalent to RMB98,641,000) (2024 Final Dividend: approximately HK$104,428,000 (equivalent to RMB95,594,000)). The 2025 Final Dividend was paid on 10 June 2026.

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

## 13. 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.

| | **Unaudited Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 (Restated) |
| Profit attributable to owners of the Company *(RMB'000)* | **180,270** | 160,285 |
| Weighted-average number of ordinary shares for basic earnings per share *(thousand)* | **1,370,112** | 1,378,447 |
| Basic earnings per share *(RMB cents)* | **13.16** | 11.63 |

### (b) Diluted

No diluted earnings per share for the Period ended 30 June 2026 and 30 June 2025 is calculated since the exercise price of share option is higher than the average market price of ordinary shares during the period.

## 14. PROPERTY, PLANT AND EQUIPMENT

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Unaudited As at 30 June 2025 *RMB'000* (Restated) |
|---|---|---|
| **Opening net book amount** | **5,872,151** | 5,630,559 |
| Additions | **144,890** | 216,012 |
| Sales and disposals | **(325)** | (2,560) |
| Depreciation charges | **(94,180)** | (88,803) |
| **Closing net book amount** | **5,922,536** | 5,755,208 |

## 15. TRADE AND OTHER RECEIVABLES

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Trade receivables from third parties: | | |
| – Construction and gas pipeline installation service | **137,838** | 145,835 |
| – Sales of piped natural gas | **22,610** | 56,971 |
| – Value-added services | **5,032** | 3,300 |
| – Gas passing through service | **2,271** | 7,423 |
| | **167,751** | 213,529 |
| *Less:* Provision for impairment | **(79,026)** | (85,562) |
| | **88,725** | 127,967 |
| Trade receivables from related parties | | |
| – Construction and gas pipeline installation service | **7,094** | 7,389 |
| *Less:* Provision for impairment | **(5,017)** | (5,642) |
| | **2,077** | 1,747 |
| Other receivables | **176,365** | 105,539 |
| *Less:* Provision for impairment | **(11,125)** | (11,341) |
| | **165,240** | 94,198 |
| Total trade and other receivables | **256,042** | 223,912 |

The Group grants credit period of 90 days to its customers of piped natural gas sales, customers of gas passing through service and customers of value-added services, whereas a longer credit period of 180 days after the completion of relevant stage of contract work is granted to customers of construction and gas pipeline installation. A longer credit period may be granted on a discretionary basis to certain selected customers with good repayment histories or settling by bills.

The ageing analysis of trade receivables presented based on the revenue recognition date is as follows:

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| 0-90 days | **30,007** | 66,052 |
| 91-180 days | **3,034** | 8,581 |
| 181-365 days | **9,340** | 9,237 |
| Over 365 days | **132,464** | 137,048 |
| | **174,845** | 220,918 |

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

## 16. SHARE CAPITAL

| | **Unaudited As at 30 June 2026** | | Audited As at 31 December 2025 | |
|---|---|---|---|---|
| | **Number of shares** ***'000*** | **Amounts** ***RMB'000*** | Number of shares *'000* | Amounts *RMB'000* |
| Authorised: | | | | |
| Ordinary shares of HK$0.10 each | **2,280,000** | **197,760** | 2,280,000 | 197,760 |
| Issued and fully paid: | **1,383,255** | **117,455** | 1,383,255 | 117,455 |
| Redeemable preference shares of HK$50.00 each, issued and fully paid | **2,399** | **105,643** | 2,399 | 105,643 |
| Total: | | **223,098** | | 223,098 |

## 17. TRADE AND OTHER PAYABLES

| | **Unaudited As at 30 June 2026** *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Trade payables | **650,594** | 656,315 |
| Note payables | **–** | 30,000 |
| Other payables | **488,370** | 568,027 |
| Accrued expenses | **4,477** | 5,803 |
| Total trade and other payables | **1,143,441** | 1,260,145 |

As at 30 June 2026, the ageing analysis of the trade payables based on suppliers' invoice date is as follows:

| | **Unaudited As at 30 June 2026** *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| 0-90 days | **114,921** | 167,121 |
| 91-180 days | **68,007** | 48,883 |
| 181-365 days | **113,560** | 99,277 |
| Over 365 days | **354,106** | 341,034 |
| | **650,594** | 656,315 |

## 18. BORROWINGS

| | Notes | Unaudited As at 30 June 2026 RMB'000 | Audited As at 31 December 2025 RMB'000 |
|---|---|---|---|
| **Non-current** | | | |
| Secured | | | |
| – Bank borrowings | *(b)* | **102,302** | 225,712 |
| Unsecured: | | | |
| – Syndicated borrowing | *(a)* | **464,601** | – |
| – Bank borrowings | *(b)* | **1,958,614** | 1,572,985 |
| | | **2,423,215** | 1,572,985 |
| Total non-current borrowings | | **2,525,517** | 1,798,697 |
| **Current** | | | |
| Secured | | | |
| – Bank borrowings | *(b)* | **37,549** | 57,495 |
| – Other borrowings | *(c)* | **37,986** | 174,629 |
| | | **75,535** | 232,124 |
| Unsecured | | | |
| – Syndicated borrowing | *(a)* | **10,980** | 572,282 |
| – Bank borrowings | *(b)* | **670,366** | 323,697 |
| | | **681,346** | 895,979 |
| Total current borrowings | | **756,881** | 1,128,103 |
| **Total borrowings** | | **3,282,398** | 2,926,800 |

*Notes:*

**(a) Syndicated borrowing**

The Group's syndicated borrowings with the amount of approximately USD82 million (equivalent to approximately RMB572 million) under the facility agreement dated 20 March 2024 were due to be repaid on 5 June 2026. On 6 March 2026, the Company entered into a new syndicated term loan facility agreement, and subsequently, on 2 June 2026, the Company drew down syndicated borrowings of USD45 million (equivalent to approximately RMB304.5 million) and RMB172.5 million, bearing interest at the Secured Overnight Financing Rate ("**SOFR**") plus 1.8% per annum and fixed at 3.8% per annum, respectively. This syndicated borrowing is guaranteed by Tianjin Clean Energy, Binhai Investment (Tianjin) Company Limited* (濱海投資（天津）有限公司) and Taicheng Clean Energy Group Company Limited* (泰城清潔能源集團有限公司).

**(b) Bank borrowings**

Details of the bank borrowings are summarised as below:

| | **Unaudited As at 30 June 2026** | Audited As at 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Non-current bank borrowings: | | |
| Secured *(Note)* | **102,302** | 225,712 |
| Unsecured | **1,958,614** | 1,572,985 |
| | **2,060,916** | 1,798,697 |
| Current bank borrowings: | | |
| Secured *(Note)* | **37,549** | 57,495 |
| Unsecured | **670,366** | 323,697 |
| | **707,915** | 381,192 |
| | **2,768,831** | 2,179,889 |

*Note:*

The details of secured bank borrowings are as below:

| | **Unaudited As at 30 June 2026** *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| **Collateral security or guarantor** | | |
| Secured using the rights to the earnings of certain subsidiaries and certain trade receivables | **139,851** | 283,207 |

**(c) Other borrowings**

The details of other borrowings are as below:

| | **Unaudited As at 30 June 2026** *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| **Collateral security** | | |
| Equity interest of a subsidiary | **–** | 100,214 |
| Gas pipeline assets with net book value of approximately RMB305 million (2025: RMB312 million) *(Note)* | **37,986** | 74,415 |
| | **37,986** | 174,629 |

*Note:* In December 2022, a subsidiary of the Company, Tianjin Clean Energy, signed a financial leasing contract with an independent financial leasing company. Pursuant to the agreements, Tianjin Clean Energy transferred its gas pipeline assets to the financial leasing company and leased them back. Details of the transactions are as follows:

| | **Net book values of the pipeline assets transferred** *RMB million* | **Consideration** *RMB million* | **Lease period** | **Lease-back rental** |
|---|---|---|---|---|
| Transaction | 305 | 300 | 30 December 2022 to 30 December 2026 | RMB18.75 million per quarter |

As the transfer of the pipeline assets does not satisfy the requirement to be accounted for as a sale of the related assets, the Group continued to recognise the transferred assets and recognised a financial liability of borrowing equal to the transfer proceeds. The financial liability was recognised as borrowings totalling RMB300 million mortgaged by Tianjin Clean Energy with the gas pipeline assets.

**(d) The Group's borrowings were repayable as follows:**

| | **Unaudited As at 30 June 2026** *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Within one year | **756,881** | 1,128,103 |
| Over one year, less than two years | **953,608** | 741,193 |
| Over two years, less than five years | **876,078** | 598,868 |
| Over five years | **695,831** | 458,636 |
| Total | **3,282,398** | 2,926,800 |

**(e) The carrying amounts of the Group's borrowings are denominated in the following currencies:**

| | **Unaudited As at 30 June 2026** *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| RMB | **2,978,274** | 2,354,518 |
| USD | **304,124** | 572,282 |
| | **3,282,398** | 2,926,800 |

## 19. DEFERRED INCOME

| | **Unaudited As at 30 June 2026** *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Government grants *(Note (a))* | **53,892** | 51,731 |
| Grants for construction projects *(Note (b))* | **84,006** | 83,966 |
| | **137,898** | 135,697 |

*Notes:*

(a) As at 30 June 2026, certain subsidiaries of the Group had received government grants of approximately RMB53,892,000 (31 December 2025: approximately RMB51,731,000) related to certain gas pipeline construction projects in improving energy use efficiency. Accordingly, the government grants were classified as deferred income and released to profit or loss on a straight-line basis over the estimated useful lives of the relevant gas pipelines assets of 30 years.

(b) As at 30 June 2026, grants received by certain subsidiaries of the Group for gas pipeline construction projects and heating construction projects totalling approximately RMB84,006,000 (31 December 2025: approximately RMB83,966,000). The relevant assets belong to such subsidiaries of the Group, therefore the grants were classified as deferred income and will be released to profit or loss on a straight-line basis over the estimated useful lives of the relevant assets in the future.

## 20. DEFERRED TAXATION

### (a) Deferred tax assets

| | **Unaudited As at 30 June 2026** *RMB'000* | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Deferred tax assets ("**DTA**"): | **44,952** | 46,036 |
| – Set off with deferred tax liabilities | **(19,166)** | (20,484) |
| | **25,786** | 25,552 |

The movement on DTA during the six months ended 30 June 2026 and 2025 is as follows:

| | **Deferred income** *RMB'000* | **Impairment provisions** *RMB'000* | **Accrued expenses** *RMB'000* | **Tax losses** *RMB'000* | **Total** *RMB'000* |
|---|---|---|---|---|---|
| **At 1 January 2026 (audited)** | **24,449** | **10,383** | **1,200** | **10,004** | **46,036** |
| **Credited/(charged) to profit or loss** | **462** | **(1,546)** | **–** | **–** | **(1,084)** |
| **At 30 June 2026 (unaudited)** | **24,911** | **8,837** | **1,200** | **10,004** | **44,952** |
| At 1 January 2025 (audited) | 25,620 | 12,746 | 3,430 | 8,414 | 50,210 |
| Charged to profit or loss (Restated) | (701) | (2,310) | – | – | (3,011) |
| At 30 June 2025 (unaudited) (Restated) | 24,919 | 10,436 | 3,430 | 8,414 | 47,199 |

(b) **Deferred tax liabilities**

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Deferred tax liabilities ("**DTL**"): | **35,725** | 37,355 |
| – Set off with deferred tax assets | **(19,166)** | (20,484) |
| | **16,559** | 16,871 |

The movement on DTL during the six months ended 30 June 2026 and 2025 is as follows:

| | **Withholding tax on unremitted earnings** *RMB'000* | **Accelerated depreciation of equipments** *RMB'000* | **Others** *RMB'000* | **Total** *RMB'000* |
|---|---|---|---|---|
| **At 1 January 2026 (audited)** | **8,750** | **28,395** | **210** | **37,355** |
| **Credited to profit or loss** | **–** | **(1,630)** | **–** | **(1,630)** |
| **At 30 June 2026 (unaudited)** | **8,750** | **26,765** | **210** | **35,725** |
| At 1 January 2025 (audited) | 5,000 | 27,379 | 420 | 32,799 |
| (Credited)/charged to profit or loss (Restated) | (5,000) | 1,761 | – | (3,239) |
| At 30 June 2025 (unaudited) (Restated) | – | 29,140 | 420 | 29,560 |

## 21. COMMITMENTS

**Capital commitments**

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| **Contracted but not provided for** | | |
| – Property, plant and equipment | **460,585** | 558,854 |

## 22. RELATED PARTY TRANSACTIONS

In addition to those mentioned elsewhere in the condensed consolidated interim financial statements, the following are significant related party transactions entered between the Group, its related parties and other PRC government-related entities.

### a) The Company is controlled by the following entities:

| Name | Relationship with the Company | Place of incorporation | Ownership interest Unaudited As at 30 June 2026 | Ownership interest Audited As at 31 December 2025 |
|---|---|---|---|---|
| TEDA HK | The largest shareholder | Hong Kong SAR | 38.16% | 38.00% |
| TEDA | The ultimate parent of TEDA HK | PRC | 42.41% | 42.23% |
| Great Wall Energy HK | The second largest shareholder | Hong Kong SAR | 29.68% | 29.55% |
| Sinopec | The ultimate parent of Great Wall Energy HK | PRC | 29.68% | 29.55% |

### b) Transactions with related parties

#### *i. Sales of piped natural gas*

| | Unaudited Six months ended 30 June 2026 *RMB'000* | Unaudited Six months ended 30 June 2025 *RMB'000* (Restated) |
|---|---|---|
| Entities controlled by TEDA | **56,986** | 92,953 |
| Associate | **19,100** | 88,518 |
| Other related parties | **828** | 645 |
| Entities controlled by Sinopec | **323** | 578 |
| | **77,237** | 182,694 |

### *ii. Construction and gas pipeline installation services*

| | Unaudited Six months ended 30 June 2026 | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by TEDA | **811** | 2,369 |

### *iii. Gas passing through income*

| | Unaudited Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by TEDA | **612** | 47 |

### *iv. Value-added Services income and other income*

| | Unaudited Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Associate | **279** | 51 |
| Joint ventures | **120** | 3 |
| Other related parties | **21** | 279 |
| Entities controlled by TEDA | **–** | 416 |
| | **420** | 749 |

### *v. Purchases of gas*

| | Unaudited Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by Sinopec | **534,541** | 427,143 |

*vi.* ***Purchases of construction and gas pipeline installation service***

| | Unaudited<br>Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by TEDA | **3,040** | 4,298 |

*vii.* ***Purchases of gasoline and others***

| | Unaudited<br>Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by Sinopec | **975** | 883 |
| Associate | **3** | – |
| Entities controlled by TEDA | **2** | – |
| | **980** | 883 |

*viii.* ***Interest expenses***

| | Unaudited<br>Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by Sinopec | **271** | 5,958 |

*ix.* ***Other service expenses***

| | Unaudited<br>Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by TEDA | **9,062** | 11,720 |
| Other related parties | **251** | 251 |
| | **9,313** | 11,971 |

*x.* ***Repayment of Note payables***

| | Unaudited Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by Sinopec | **30,000** | – |

*xi.* ***Repayment of borrowings***

| | Unaudited Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Entities controlled by Sinopec | **100,000** | – |

The Group's pricing on sales of piped natural gas with related parties are based on the reference price stipulated by the local government. Other transactions were entered into on terms as agreed with the related parties in the ordinary course of business.

c) **Balances with related parties**

***i. Trade and other receivables***

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Entities controlled by TEDA | **5,826** | 5,586 |
| Other related parties | **1,901** | 1,901 |
| Entities controlled by Sinopec | **878** | 733 |
| Associate | **139** | 210 |
| Joint ventures | **135** | – |
| | **8,879** | 8,430 |

***ii. Prepayments***

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Entities controlled by Sinopec | **42,826** | 65,488 |
| Entities controlled by TEDA | **1,131** | 235 |
| | **43,957** | 65,723 |

***iii. Contract assets***

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Entities controlled by TEDA | **203** | – |

*iv. Trade and other payables*

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Entities controlled by TEDA | **12,101** | 11,709 |
| Entities controlled by Sinopec | **26** | 30,000 |
| Associate | **16** | 13 |
| Other related parties | **6** | 6 |
| | **12,149** | 41,728 |

*v. Contract liabilities*

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Entities controlled by TEDA | **5,810** | 11,143 |
| Associate | **899** | 111 |
| Other related parties | **383** | 634 |
| Entities controlled by Sinopec | **164** | 424 |
| | **7,256** | 12,312 |

*vi. Borrowings*

| | **Unaudited As at 30 June 2026** ***RMB'000*** | Audited As at 31 December 2025 *RMB'000* |
|---|---|---|
| Entities controlled by Sinopec | **–** | 100,214 |

d) **Transactions/balances with other state-owned enterprises in the PRC**

Both the largest and second largest ultimate shareholders of the Company are state-controlled enterprises and hence the Company operates in an economic regime currently dominated by entities directly or indirectly controlled by the PRC government (collectively referred to as "**state-controlled entities**") through its government authorities, agencies, affiliations and other organizations.

Apart from transactions with related parties, the Group has transactions with other state-controlled entities which include, but are not limited to, the following:

– sales and purchases of piped natural gas;

– construction and gas pipeline installation service;

– lease of assets, purchase of pipe materials and property, plant and equipment;

– placing deposits and obtaining finance; and

– use of public utilities.

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not state controlled. The Group has established its procurement policies, pricing strategy and approval process for purchases and sales of products and services which do not depend on whether the counterparties are state-controlled entities or not.

e) **Compensation of key management personnel**

| | **Unaudited** | |
|---|---|---|
| | **Six months ended 30 June** | |
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | | (Restated) |
| Fees | **1,173** | 1,232 |
| Salaries, share options and other allowances | **1,290** | 1,668 |
| Pension costs | **123** | 121 |

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is principally engaged in the sales of piped natural gas, construction and gas pipeline installation service, gas passing through service and value-added services.

### Sales of Piped Natural Gas

In the first half of 2026, the global natural gas market experienced severe volatility due to the confluence of multiple factors such as geopolitical issues, including the ongoing war between Russia and Ukraine, conflicts in the Middle East, and the continuous deterioration of the global economic and trade environment, coupled with abnormal climate conditions, leading to increased risk premiums in natural gas prices, intensified market fluctuations, and the resilience of global energy supply chain was subject to severe challenges. Mainland China's natural gas market performance was linked to the international market. According to data from the National Development and Reform Commission, in the first half of 2026, the national apparent natural gas consumption was approximately 206.85 billion cubic meters, a year-on-year decrease of 2.4%. On the supply side, there was a trend of "steady growth in domestic production and structural contraction in imports". In the first half of the year, national natural gas production was approximately 133.0 billion cubic meters, representing a year-on-year increase of approximately 1.6%; natural gas imports amounted to 57.45 million tons, representing a year-on-year decrease of 3.4%. Under the dual pressures of high international gas prices and relatively weak end-user demand, the domestic natural gas market as a whole remained in a state of tight supply-demand balance.

Facing the dual challenges of sharp fluctuations in external natural gas prices and slow economic recovery, the Group, relying on its diversified gas source structure and agile market strategy, continuously optimized its procurement structure, flexibly seized market opportunities and stabilized gas sales. In March 2026, TEDA and Sinopec Natural Gas Company Limited* (中國石化天然氣有限責任公司) ("**Sinopec Natural Gas**"), a wholly-owned subsidiary of Sinopec, entered into the "Framework Agreement on Further Deepening Strategic Cooperation to Support the Development of the Company" (the "**New Framework Agreement**"), which covers aspects of gas sources support and terminal market scale expansion, utilization of liquefied natural gas ("**LNG**") terminals and storage support, and increased investment efforts and strategic synergy. For details regarding the New Framework Agreement, please refer to the announcement of the Company dated 4 March 2026.

As a result, during the Period, consumption of piped natural gas by residential households and industrial users increased to approximately $6,925 \times 10^6$ mega-joules and $25,453 \times 10^6$ mega-joules respectively, as compared to $6,583 \times 10^6$ mega-joules and $22,532 \times 10^6$ mega-joules respectively for the corresponding period last year. During the Period, the Group also achieved a total gas sales volume of approximately 1.204 billion cubic meters, representing a year-on-year increase of approximately 5.6%, of which piped natural gas sales volume was approximately 922 million cubic meters, representing a year-on-year increase of approximately 11.2%, demonstrating operational resilience in an adverse environment. During the Period, income of the Group from sales of piped natural gas amounted to RMB2,805,249,000, representing an increase of RMB262,625,000 or 10% compared to the amount of RMB2,542,624,000 recorded for the corresponding period last year. The increase in income from sales of piped natural gas is mainly due to the increase in natural gas sales volume.

**Construction and Gas Pipeline Installation Service**

The Group constructs gas pipelines for its clients and connects such pipelines to the Group's main gas pipeline networks. The Group then charges construction and gas pipeline installation service fees from industrial and commercial customers, property developers and property management companies. These services are integral to the Group's operations, ensuring seamless gas distribution and expanding its network reach.

In the first half of 2026, the sales area of newly built residential properties in Mainland China decreased by 12.4%, and sales revenue fell by 13.7%. Affected by the continued downward adjustment of the real estate market in Mainland China, the growth of new customers of the Group had slowed down during the Period, with the growth rate decreasing by 0.6 percentage point compared to the corresponding period last year. As at 30 June 2026, the aggregate length of city medium-pressure gas pipeline networks was approximately 4,149 kilometers, representing an increase of 33 kilometers from the length of 4,116 kilometers as at 31 December 2025. The aggregate length of high-pressure and sub-high-pressure gas pipeline networks was approximately 704 kilometers, representing an increase of 1 kilometer from the length of 703 kilometers as at 31 December 2025. During the Period, income of the Group from construction and gas pipeline installation service amounted to approximately RMB72,036,000, representing a decrease of RMB43,879,000 or 38% compared to the amount of RMB115,915,000 recorded for the corresponding period last year, primarily due to the slowdown in growth of new customers of the Group.

### Gas Passing Through Service

The Group transports gases for clients through gas pipeline networks and charges passing through fees. Natural gas is the primary energy source utilized in the Group's gas passing through service. As a clean and efficient energy resource, natural gas plays a critical role in addressing environmental pollution by significantly reducing carbon emissions and other harmful pollutants compared to traditional fossil fuels. Its inherent advantages, such as safety, reliability, and cost effectiveness, make it an attractive option for both industrial and residential use across the country. Furthermore, natural gas has emerged as a cornerstone in global clean energy strategies, contributing to the transition toward sustainable and environmentally friendly energy systems. This aligns with the nation's efforts to combat climate change and promote greener energy solutions, solidifying its importance in the development of clean energy initiatives in Mainland China.

Due to a reduction in national apparent natural gas consumption and relatively weak end-user demand, during the Period, the volume of gases transported by the Group for its clients amounted to approximately 281,910,000 cubic meters, representing a decrease of 29,610,000 cubic meters or 9.5% compared to the amount of 311,520,000 cubic meters for the corresponding period last year. During the Period, gas passing through service income amounted to approximately RMB23,413,000, representing a decrease of RMB1,721,000 or 7% compared to the amount of RMB25,134,000 for the corresponding period last year. Revenue from gas passing through service decreased in this Period, primarily due to a reduction in the volume of gases transported by the Group for its clients.

### Value-added Services

In the value-added services sector, the Group has developed diversified service channels, enriched product categories, and established new businesses such as kitchen decoration services, security product sales and technical consulting services. The Group expanded its original sales of gas appliances, the provision of small-scale assembling services, maintenance services and insurance agency services into four major service areas: smart home, in-home services, extended maintenance services and insurance business, providing a variety of value-added services. As the Group has expanded the scope of its value-added services and range of products for sale, during the Period, value-added services income amounted to approximately RMB38,990,000, representing an increase of RMB4,051,000 or 12% compared to the amount of RMB34,939,000 for the corresponding period of last year. In particular, income of the Group from smart homes amounted to approximately RMB9,460,000, representing an increase of RMB249,000 or 3% compared to the amount of RMB9,211,000 recorded for the corresponding period last year. Income of the Group from in-home services amounted to approximately RMB17,657,000, representing an increase of RMB532,000 or 3% compared to the amount of RMB17,125,000 recorded for the corresponding period last year. Since the scope of services for non-resident users has expanded, the original maintenance services have been extended to include gas-related technical consulting, safety inspection and other related services. Income of the Group from extended maintenance services amounted to approximately RMB7,480,000, representing an increase of RMB3,605,000 or 93% compared to the amount of RMB3,875,000 recorded for the corresponding period last year. Income of the Group from insurance business amounted to approximately RMB4,393,000, representing a decrease of RMB335,000 or 7% compared to the amount of RMB4,728,000 recorded for the corresponding period last year.

Also, in March 2026, Hainan Binhai Taiyuejia Technology Company Limited* (海南濱海泰悅家科技有限公司) ("**Taiyuejia**"), a wholly-owned subsidiary of the Company, entered into a strategic cooperation framework agreement (the "**Strategic Cooperation Agreement**") with Tianjin TEDA City Renewal and Construction Development Company Limited* (天津泰達城市更新建設發展有限公司) ("**TEDA City Renewal**"), a wholly-owned subsidiary of TEDA. Pursuant to the Strategic Cooperation Agreement, Taiyuejia's gas appliance products, smart security systems, and kitchen gas appliance design and construction services shall be preferentially applied in various urban renewal, residential and commercial, and public building projects developed, constructed, and operated by TEDA City Renewal and its affiliates. For further details regarding the Strategic Cooperation Agreement, please refer to the voluntary announcement of the Company dated 11 March 2026.

**Property Development**

As at 30 June 2026, the Group held a piece of land under development of approximately 15,899.6 square meters located to the east of Central West Road, west of Central Road, north of Xi San Road and south of Xi Er Road in the Tianjin Airport Economic Area in the Binhai New Area of the PRC, under land use rights for commercial use for a term of 40 years from 31 December 2009.

In view of the Group's current strategic direction which focuses on the development of the gas business, the Group plans to dispose of the above property under construction. The management emphasizes the decision of the disposal of the property under construction, and has appointed professional staff to actively contact agents and potential buyers.

**Prospects**

In the first half of 2026, the global natural gas market experienced severe volatility due to the confluence of multiple factors such as geopolitical issues, including the ongoing war between Russia and Ukraine, conflicts in the Middle East, and the continuous deterioration of the global economic and trade environment, coupled with abnormal climate conditions, leading to increased risk premiums in natural gas prices, intensified market fluctuations, and the resilience of global energy supply chain was subject to severe challenges. Mainland China's natural gas market performance was linked to the international market. According to data from the National Development and Reform Commission of China, in the first half of 2026, the national apparent natural gas consumption was approximately 206.85 billion cubic meters, a year-on-year decrease of 2.4%. On the supply side, there was a trend of "steady growth in domestic production and structural contraction in imports". In the first half of the year, national natural gas production was approximately 133.0 billion cubic meters, representing a year-on-year increase of approximately 1.6%; natural gas imports amounted to 57.45 million tons, representing a year-on-year decrease of 3.4%. Under the dual pressures of high international gas prices and relatively weak end-user demand, the domestic natural gas market as a whole remained in a state of tight supply-demand balance.

Facing the dual challenges of sharp fluctuations in external natural gas prices and slow economic recovery, the Group, relying on its diversified gas source structure and agile market strategy, continuously optimized its procurement structure and flexibly seized market opportunities. During the Period, the Group achieved a total gas sales of approximately 1.204 billion cubic meters, representing a year-on-year increase of approximately 5.6%, of which piped natural gas sales was approximately 922 million cubic meters, representing a year-on-year increase of approximately 11.2%, demonstrating operational resilience in an adverse environment.

In the value-added services sector, the Group has, on the one hand, developed diversified service channels, enriched product categories, and established new businesses such as kitchen decoration services, security product sales, and technical consulting services, thereby forming four major service areas: smart home, in-home services, extended maintenance services and insurance business; on the other hand, it has actively expanded overseas cooperation to enlarge its customer base. In March 2026, Taiyuejia entered into the Strategic Cooperation Agreement with TEDA City Renewal. Pursuant to the Strategic Cooperation Agreement, Taiyuejia's gas appliance products, smart security systems, and kitchen gas appliance design and construction services shall be preferentially applied in various urban renewal, residential and commercial, and public building projects developed, constructed, and operated by TEDA City Renewal and its affiliates. Currently, Taiyuejia's products under the Strategic Cooperation Agreement have been successively introduced into residential community projects by TEDA City Renewal and its affiliates. During the Period, Taiyuejia also engaged in overseas cooperation on gas appliance products with several gas companies, establishing agency sales relationships. The above activities signify that the Group's value-added services business is further expanding from private domain customers to public domain customers on a large scale, which will help enhance the penetration rate and profit contribution of the value-added services business.

In terms of deepening industrial chain synergy, the Group continues to receive strong support from its two substantial shareholders, TEDA and Sinopec. To continuously build the Group into a terminal cooperation platform for both parties in areas such as natural gas and comprehensive clean energy utilization, further deepen cooperation in areas where one or both parties have operational advantages (especially the Tianjin region), increase investment efforts, and jointly support the Group in improving its industrial chain, expanding its terminal market scale, and enhancing its competitiveness in its integrated energy business, in March 2026, TEDA and Sinopec Natural Gas entered into the New Framework Agreement. The New Framework Agreement covers six major aspects, including gas sources support and expansion of terminal market scale, utilization of LNG terminals and storage support, regional gas market integration, cooperation on comprehensive clean energy utilization projects, collaborative research on carbon asset management, and increased investment efforts and strategic synergy. Under the New Framework Agreement, the Group has also seen substantial progress in its project cooperation with the specialized investment platform company under Sinopec responsible for new energy development. In May 2026, Binhai Investment (Tianjin) Company Limited* (濱海投資（天津）有限公司), a wholly-owned subsidiary of the Company, entered into a five-year "Green Hydrogen Supply Framework Agreement" with Sinopec Star (Beijing) New Energy Co., Ltd. * (中石化新星（北京）新能源有限公司) ("**Sinopec Star New Energy Company**") to implement hydrogen blending demonstrations in Tianjin's pipeline network, connect long-distance pipelines, ensure a stable supply of ten-thousand-ton level green hydrogen, and deploy diverse hydrogen energy applications, thereby seizing the first-mover advantage for the commercialisation of "green hydrogen + natural gas" in the urban gas sector. Shortly thereafter, Binhai Investment (Tianjin) Company Limited and Sinopec Star New Energy Company entered into a three-year "Strategic Cooperation Agreement on Collaborative Development of Clean Energy Industry", focusing on the multi-energy complementary supply cooperation of "Geothermal & Natural Gas+", joint development and trading of carbon assets, and integrated green electricity business cooperation, to comprehensively enhance the competitive advantages of the Group's integrated energy business and facilitate the implementation of the Group's long-term strategy of transforming into an integrated energy supplier. For further details regarding these agreements, please refer to the announcements of the Company dated 4 March 2026, 21 May 2026 and 1 June 2026.

The Group has achieved the implementation of integrated energy projects. In March 2026, Taicheng Clean Energy Group Company Limited* (泰城清潔能源集團有限公司) ("**Taicheng Group**"), a wholly-owned subsidiary of the Company, entered into a capital contribution agreement with Zhejiang Deyuan Culture Technology Co., Ltd.* (浙江德遠文化科技有限公司) ("**Deyuan Culture**"), a wholly-owned subsidiary of the People's Government of Deqing County, Zhejiang Province in Mainland China, to jointly contribute capital for the establishment of Deqing Qiyuan Intelligent Control Energy Service Co., Ltd.* (德清啟源智控能源服務有限公司) ("**Qiyuan Intelligent Control**"), in which Taicheng Group holds 51% of the equity interest and Deyuan Culture holds 49% of the equity interest. Thereafter, Qiyuan Intelligent Control entered into agreements with the Collective Economic Organisation of Baibiao Village, Xinshi Town, Deqing County* (德清縣新市鎮白彪村集體經濟組織) and Deqing Xinhehui Construction Development Co., Ltd.* (德清鑫合匯建設發展有限公司) respectively, pursuant to which Qiyuan Intelligent Control will invest in and construct distributed photovoltaic power generation projects, with an expected total installed capacity of 3.51 megawatts (subject to actual installation). This project indicates that the Group has made a substantial breakthrough in its transformation towards an integrated energy supplier. For further details regarding these agreements, please refer to the voluntary announcements of the Company dated 25 March 2026 and 10 August 2026.

To further refine the Group's financial management and reduce overall financing costs, the Group has effectively controlled the interest rates of developing loans by exploring diversified financing channels and continuously optimizing its financing structure. In the first half of 2026, the Group's comprehensive financing rate was 4.0%, representing a further decrease of 0.4 percentage points from 4.4% at the end of 2025. Interest expenses decreased by approximately RMB14 million compared to the same period last year, laying a solid financial foundation for the Group's future strategic development.

Looking ahead to the second half of 2026, the aforementioned geopolitical uncertainties and the uneven recovery of end-user demand will continue to affect the operation of the natural gas market. As the national "dual carbon" strategy is advancing in depth, natural gas, as a clean fossil energy, remains an important support and key vehicle for the transformation of the energy structure. In terms of the natural gas business, the Group will continue to implement a diversified gas source procurement strategy, continuously optimize comprehensive procurement costs, solidify the advantages of the customer gas consumption structure, actively drive the implementation of the price transmission mechanism, and consolidate the profitability and resilience of the natural gas core business. In terms of the value-added services business, the Group will continue to deeply cultivate its existing customer base, iterate and upgrade its smart home product system, improve the penetration level of its in-home services, expand its extended maintenance services chain, enhance the effectiveness of customer engagement for its insurance business, and actively explore new business models, promoting the construction of community grid-based services and the community store operating model, thereby continuously improving customer service levels while scaling up its value-added services business. In terms of the integrated energy business, the Group will fully leverage its advantages in commercial and industrial customer resources to accelerate the implementation of various integrated energy projects. With strategic synergy and empowerment from shareholders, the Group will focus on five core areas: distributed photovoltaic energy, green hydrogen blending, geothermal multi-energy complementarity, energy management contracting, and carbon asset management, and strive to deliver more benchmark demonstration projects within the year, thereby promoting a substantive transformation and upgrade from a traditional urban gas operator to an integrated energy service provider.

In the face of a complex and ever-changing market environment and industry challenges, the Group will firmly anchor its three core directions: "consolidating the foundation of its city gas business, vigorously developing value-added services, and accelerating its transformation into an integrated energy supplier". The Group will steadily advance the implementation of all strategic collaborations with its two substantial shareholders, ensuring that synergistic advantages are translated into effective operational results. Through a more resilient business structure and a clear development path, the Group will maintain steady growth in operating performance and create long-term, sustainable value returns for its shareholders.

## FINANCIAL REVIEW

### Gross Profit Margin

During the Period, the gross profit of the Group was approximately RMB296 million (for the six months ended 30 June 2025: approximately RMB288 million) and the gross profit margin for the Group was 10.1% (for the six months ended 30 June 2025: 10.6%).

During the Period, the gross profit margin decreased compared with the corresponding period last year, primarily due to the reduction in the results from construction and gas pipeline installation service, which has a higher gross profit margin among the segment results.

**Administrative Expenses**

Administrative expenses of the Group during the Period were approximately RMB90 million, representing an increase of approximately RMB7 million or 8% as compared to approximately RMB84 million for the corresponding period last year.

**Profit Attributable to Owners of the Company**

The profit attributable to owners of the Company was approximately RMB180 million during the Period, representing an increase of approximately RMB20 million or 12.5% as compared to approximately RMB160 million for the corresponding period last year. The increase in profit attributable to owners of the Company was mainly due to (i) the increase in gross profit; (ii) the increase in other income; and (iii) the decrease in finance costs for the six months ended 30 June 2026.

Basic earnings per share of the Company for the Period were RMB13.16 cents, representing an increase of RMB1.53 cents as compared to RMB11.63 cents for the corresponding period last year.

**Liquidity and Financial Resources**

The Group financed its liquidity requirements primarily through cash flow generated from operating activities and proceeds from interest-bearing bank loans and other borrowings.

As at 30 June 2026, the total borrowings of the Group amounted to approximately RMB3,282,398,000 (as at 31 December 2025: approximately RMB2,926,800,000) and the cash and bank deposits of the Group amounted to approximately RMB236,736,000 (as at 31 December 2025: approximately RMB188,949,000), including cash and cash equivalents of approximately RMB147,352,000, term deposits of approximately RMB78,858,000 and restricted bank deposits of approximately RMB10,526,000. As at 30 June 2026, the Group had consolidated current assets of approximately RMB829,035,000 and its current ratio was 0.34. As at 30 June 2026, the Group had a gearing ratio of approximately 57% (as at 31 December 2025: approximately 55%). This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings and lease liabilities as shown in the consolidated statement of financial position) less cash and cash equivalents and term deposits. Total capital is calculated by adding total equity and net debt. To effectively manage the Group's liquidity risks, the Company is reviewing the existing loans of the Group to be repayable in 2026 and will negotiate with potential funding parties, when appropriate, to secure more competitive interest rates to refinance its borrowings under the current financing arrangements.

**Borrowings Structure**

As at 30 June 2026, the total borrowings of the Group amounted to approximately RMB3,282,398,000, of which 9% were denominated in USD and 91% denominated in RMB (as at 31 December 2025: approximately RMB2,926,800,000, of which 20% were denominated in USD and 80% denominated in RMB).

Syndicated borrowing was denominated in USD and RMB, USD tranche carrying the interest at the rate of 1.8% plus SOFR per annum, and RMB tranche carrying the interest of 3.8% per annum. Secured borrowings from PRC banks were denominated in RMB and carried interest rates from 3.74% to 4.80% per annum. Unsecured borrowings from banks were denominated in RMB, carrying interest rates from 2.4% to 3.6%. Other secured borrowings carry interests at the rates of 3.30% per annum. 20% of the borrowings are in fixed interest rate and 80% of the borrowings are in floating rates. As at 30 June 2026, short-term borrowings and the current portion of long-term borrowings amounted to approximately RMB756,881,000, while the remainder were long-term borrowings falling due after one year or above.

Particulars of bank and other borrowings of the Group as at 30 June 2026 are set out in Note 18 to this results announcement. The net loan proceeds are for refinancing the indebtedness and for financing general corporate funding requirements of the Group.

**Directors' Opinion on Sufficiency of Working Capital**

As at 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB1,582,921,000. The Group's ability to continue as a going concern largely depends on the sufficiency of financial resources available to the Group. The Directors are of the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 1 July 2026.

**Exposure to Exchange Rate Fluctuations**

The Company's presentation currency for its consolidated financial statements has been changed from HK$ to RMB from 1 January 2025. As the Group has been adopting RMB as its functional currency with its major business and assets located in Mainland China and denominated and settled in RMB, and its subsidiaries mainly use RMB as their presentation currency, the Board considers that the change of presentation currency will enable the shareholders and potential investors of the Company to gain a more accurate and transparent understanding of the Group's financial performance. During the Period, the majority of the Group's transactions were denominated in the functional currency of the respective group entities. Part of the deposits and bank borrowings of the Group were denominated in HK$ and USD which expose the Group to certain foreign currency risks. For the period ended 30 June 2026, net foreign exchange gain for the financing activities amounted to approximately RMB16 million.

The Group has adopted various measures to manage exchange rate fluctuation risks. As at 31 December 2025, the balance of the syndicated loan drawn down by the Company in June 2024 was approximately USD82 million, which would mature on 5 June 2026. To repay such loan, on 6 March 2026, the Company entered into a term loan facility agreement (the "**2026 Facility Agreement**") with a syndicate to draw down syndicated loans of not more than USD45,000,000 and RMB172,500,000. The syndicated loans are each for a period of 24 months after the utilisation date under the respective facility by the Company. For further details regarding the 2026 Facility Agreement, please refer to the announcement of the Company dated 6 March 2026. The Group has strategically reduced its borrowings denominated in USD to mitigate the impact of exchange rate fluctuations.

The Group does not currently have a foreign currency hedging policy. However, the management of the Company has been monitoring foreign exchange risks and will consider hedging significant foreign currency exposure should the need arise.

**Treasury Policies**

The Group has adopted a prudent financial management approach towards its treasury policies and remained steadfast in its commitment to prudent capital and cash flow management to maintain a strong and healthy liquidity position for the period ended 30 June 2026.

**Charge on the Group's Assets**

As at 30 June 2026, the Group had restricted bank deposits of approximately RMB10,526,000 (as at 31 December 2025: approximately RMB5,106,000).

The net carrying amount of pipelines and equipment as at 30 June 2026 amounting to approximately RMB305,373,000 were pledged as security for the other borrowings. Details of the Group's borrowings are set out in Note 18 to this results announcement.

**Final Dividend**

Based on the annual profit of the Company for the year ended 31 December 2025 and taking into account the financial position of the Company, the Board recommended a final dividend of HK$0.0836 per ordinary share (equivalent to RMB0.0769 per ordinary share) for the year ended 31 December 2025 (the "**2025 Final Dividend**") (a final dividend of HK$0.076 per ordinary share was recommended for the year ended 31 December 2024). The 2025 Final Dividend amounted to approximately HK$114,235,000 (equivalent to RMB98,641,000) (2024 Final Dividend: approximately HK$104,428,000 (equivalent to RMB95,594,000)) was approved by the holders of ordinary shares (the "**Shareholders**") at the annual general meeting of the Company for the year ended 31 December 2025 held on 8 May 2026 (the "**2026 AGM**"), and the 2025 Final Dividend was paid on 10 June 2026.

## Interim Dividend

The Board does not declare any interim dividend for the Period (for the six months ended 30 June 2025: nil).

## Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities.

## SIGNIFICANT INVESTMENTS

During the Period, the Company did not hold any significant investments.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Period, there were no material acquisitions or disposals of subsidiaries and associated companies by the Group.

## IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL PERIOD

There are no important events affecting the Group which have occurred after the end of the financial period ended 30 June 2026 and up to the date of this results announcement.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group currently does not have any future plans for material investments or capital assets.

## EMPLOYEES

As at 30 June 2026, the Group had a total of 1,756 employees (as at 31 December 2025: 1,786). During the Period, the salaries and wages of the employees were approximately RMB139 million (for the six months ended 30 June 2025: approximately RMB129 million) and among these, approximately RMB17 million was recorded as research and development expenses (for the six months ended 30 June 2025: approximately RMB19 million).

## REMUNERATION POLICY

We recognize that our Group's success depends on the contributions of our employees, whom we consider invaluable assets to the Group. The Group is committed to offering competitive remuneration packages while fostering a fair, inclusive, and safe working environment for all employees. The Group prioritizes work safety and occupational health by complying with laws and regulations, implementing a comprehensive safety management system, and fostering a culture of safety through training and performance assessments.

The remuneration of the employees of the Group is determined by reference to the market rates, and the performance, qualification and experience of the relevant employee. In addition, a discretionary bonus based on individual performance during the year is distributed to reward the contributions of employees to the Group. The Group provides training opportunities and other benefits to its employees, including pension insurance, unemployment insurance, injury insurance, medical insurance, maternity insurance and housing fund, etc.

Furthermore, a share option scheme was adopted by the Company on 13 January 2021 as an incentive and award plan for directors, senior management personnel and eligible employees of the Group.

## AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises four independent non-executive Directors, namely Mr. LAU Siu Ki, Kevin, Mr. IP Shing Hing, *B.B.S., J.P.*, Professor Japhet Sebastian LAW and Dr. TANG Lai Wah, and Mr. LAU Siu Ki, Kevin, the chairman of the committee, and Dr. TANG Lai Wah are qualified accountants. The Audit Committee has reviewed the unaudited consolidated results of the Group for the Period and has provided advice and comments on the interim report.

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings as referred to in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Trading of the Company's securities by the Directors shall be approved by the chairman of the Board and shall be entered into in accordance with the approved time frame and number of securities.

All Directors have confirmed, following specific enquiries of all Directors by the Company, that they had complied with the required standard of dealings as set out in the Model Code and the Company's Code of Conduct during the Period.

## CORPORATE GOVERNANCE CODE

During the Period, the Company had fully complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") set out in Part 2 of Appendix C1 to the Listing Rules, except for a deviation from code provision F.1.3 of the CG Code, which provides that the chairman of the Board should attend the annual general meeting. Due to his other business commitments, Mr. ZHANG Wang, the Chairman of the Board, was unable to attend the 2026 AGM. Mr. GAO Liang ("**Mr. GAO**"), an executive Director and the General Manager of the Company attended and was elected as the chairman of the 2026 AGM. Despite Mr. ZHANG Wang not being able to attend the 2026 AGM, Mr. GAO, together with other members of the Board who attended the 2026 AGM, were available to answer questions at the 2026 AGM to ensure effective communication with the Shareholders of the Company.

## PURCHASES, SALES OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2026, pursuant to the general mandates to repurchase shares approved by the Shareholders of the Company at the 2025 annual general meeting and 2026 AGM respectively, the Company repurchased a total of 5,876,000 ordinary shares of the Company ("**Repurchased Shares**") on The Stock Exchange of Hong Kong Limited for an aggregate consideration of approximately HK$6,842,980 after deducting expenses. The Repurchased Shares were subsequently held by the Company as treasury shares. The repurchases were effected for the enhancement of the net asset value per share and/or earnings per share of the Company. Details of the Repurchased Shares are as follows:

| | | **Purchase consideration per Repurchased Share** | | |
|---|---|---|---|---|
| **Month of purchase in 2026** | **No. of Shares Repurchased** | **Highest price paid** *(HK$)* | **Lowest price paid** *(HK$)* | **Aggregate consideration paid** *(HK$)* |
| January | 240,000 | 1.16 | 1.11 | 273,200.00 |
| February | 116,000 | 1.12 | 1.10 | 129,100.00 |
| March | 466,000 | 1.12 | 1.08 | 514,280.00 |
| April | 4,666,000 | 1.26 | 1.10 | 5,509,800.00 |
| May | 184,000 | 1.11 | 1.06 | 198,600.00 |
| June | 204,000 | 1.11 | 1.06 | 218,000.00 |
| | 5,876,000 | | | 6,842,980.00 |

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

By order of the Board
**BINHAI INVESTMENT COMPANY LIMITED**
**Gao Liang**
*Executive Director*

Hong Kong, 24 August 2026

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. ZHANG Wang, Mr. WANG Xin and Mr. GAO Liang, three non-executive directors, namely, Mr. ZHANG Chang Liang, Mr. SHEN Hong Liang and Mr. XIA Bin Hui, and four independent non-executive directors, namely, Mr. IP Shing Hing, B.B.S., J.P., Mr. LAU Siu Ki, Kevin, Professor Japhet Sebastian LAW and Dr. TANG Lai Wah.*

** For identification purposes only*