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BEIJING GAS BLUE SKY HOLDINGS LIMITED **北京燃氣藍天控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 6828)

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

HIGHLIGHTS

- The Group recorded revenue of RMB962.7 million for HY2026 (HY2025: RMB1,019.6 million), representing a decrease of 5.6% as compared to HY2025.
- Profit attributable to the shareholders of the Company was RMB38.8 million (HY2025: RMB52.2 million), representing a decrease of 25.7% as compared to HY2025.
- EBITDA amounted to RMB105.2 million for HY2026 (HY2025: RMB147.3 million), representing a decrease of 28.6% as compared to HY2025.
- Basic and diluted earnings per Share for HY2026 were RMB0.17 cents (HY2025: RMB0.23 cents) and RMB0.17 cents (HY2025: RMB0.23 cents) respectively.
- The Board does not recommend the declaration of interim dividend for HY2026 (HY2025: Nil).

UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Beijing Gas Blue Sky Holdings Limited (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2026 (“**HY2026**” or the “**Period**”) together with the comparative figures for the corresponding period of last year (“**HY2025**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
REVENUE	6	962,706	1,019,577
Cost of sales		<u>(958,667)</u>	<u>(1,007,241)</u>
Gross profit		4,039	12,336
Other income and gains, net	7	6,268	9,484
Administrative expenses		(54,030)	(52,337)
Reversal of impairment of financial assets, net	9	5,175	8,038
Other expenses, net		(6,175)	(812)
Finance costs	8	(31,458)	(45,547)
Share of profits/(losses) of:			
Joint ventures		529	(122)
Associates		<u>115,843</u>	<u>131,898</u>
PROFIT BEFORE TAX	9	40,191	62,938
Income tax	10	<u>(834)</u>	<u>(15,164)</u>
PROFIT FOR THE PERIOD		<u>39,357</u>	<u>47,774</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation from functional currency to presentation currency		(26,370)	1,911
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>—</u>	<u>(8,017)</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF INCOME TAX		<u>(26,370)</u>	<u>(6,106)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>12,987</u>	<u>41,668</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

For the six months ended 30 June 2026

		Six months ended 30 June	
	<i>Note</i>	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
PROFIT/(LOSS) FOR THE PERIOD			
ATTRIBUTABLE TO:			
Shareholders of the Company		38,768	52,206
Non-controlling interests		589	(4,432)
		<u>39,357</u>	<u>47,774</u>
TOTAL COMPREHENSIVE INCOME/(LOSS)			
FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the Company		12,398	46,100
Non-controlling interests		589	(4,432)
		<u>12,987</u>	<u>41,668</u>
EARNINGS PER SHARE ATTRIBUTABLE TO			
SHAREHOLDERS OF THE COMPANY			
Basic and diluted (RMB cents)	12	<u>0.17</u>	<u>0.23</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		30 June 2026 <i>RMB'000</i> (Unaudited)	31 December 2025 <i>RMB'000</i> (Audited)
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		407,012	418,367
Investment properties		54,393	56,225
Right-of-use assets		23,937	24,228
Goodwill		659,908	659,908
Operating rights		293,211	301,976
Investments in joint ventures		18,162	17,633
Investments in associates		2,148,053	2,040,449
Prepayments, deposits and other receivables		27,048	21,248
Equity investments at fair value through other comprehensive income		10,729	10,729
Total non-current assets		3,642,453	3,550,763
CURRENT ASSETS			
Inventories		16,591	14,822
Trade receivables	13	80,031	52,940
Contract assets		30,762	31,057
Prepayments, deposits and other receivables		211,886	222,602
Due from joint ventures		3,300	3,300
Due from related parties		–	208
Financial assets at fair value through profit or loss		45	45
Income tax recoverable		645	1,714
Restricted cash		9,366	17,594
Cash and cash equivalents		251,601	287,593
Total current assets		604,227	631,875

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*As at 30 June 2026*

		30 June 2026	31 December 2025
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and bills payables	14	75,132	68,478
Other payables and accruals		139,142	153,143
Income tax payables		57,771	57,627
Bank and other borrowings		2,341,304	2,279,065
Lease liabilities		3,912	4,211
Total current liabilities		2,617,261	2,562,524
NET CURRENT LIABILITIES		(2,013,034)	(1,930,649)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,629,419	1,620,114
NON-CURRENT LIABILITIES			
Bank and other borrowings		19,111	12,587
Lease liabilities		4,823	5,194
Deferred tax liabilities		76,213	78,522
Total non-current liabilities		100,147	96,303
NET ASSETS		1,529,272	1,523,811
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital		1,063,051	1,063,051
Reserves		303,193	293,522
		1,366,244	1,356,573
Non-controlling interests		163,028	167,238
TOTAL EQUITY		1,529,272	1,523,811

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Beijing Gas Blue Sky Holdings Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and the principal place of business of the Company are Richmond House, 12 Par-La-Ville Road, Hamilton HM 08, Bermuda and Room 1003-04, 10/F, Tower Two, Lippo Centre, 89 Queensway, Hong Kong, respectively.

During HY2026, the Company and its subsidiaries (collectively referred to as the “**Group**”) were engaged in the following principal activities:

- distribution and sales of natural gas to residential, industrial and commercial consumers through pipelines, the sale of gas-related equipment and the provision of pipeline construction services, operation of compressed natural gas (“**CNG**”) and liquefied natural gas (“**LNG**”) refueling stations for vehicles and related value-added service such as repair and maintenance services;
- trading and distribution of CNG, LNG, fuel oil and other related oil by-products as a wholesaler to industrial and commercial users, and direct LNG supply to industrial users through direct supply facilities; and
- development and operation of integrated clean energy and new energy business.

As at 30 June 2026, the immediate holding company of the Company is Beijing Gas Company Limited (北京燃氣有限公司), which is incorporated in Hong Kong with limited liability and, in the opinion of the directors of the Company (the “**Directors**”), the ultimate holding company of the Company is Beijing Enterprises Group Company Limited (北京控股集團有限公司) (“**BE Group**”), which is a state-owned enterprise established in the People’s Republic of China (the “**PRC**”) and wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2.1 BASIS OF PRESENTATION

As at 30 June 2026, the Group had net current liabilities of approximately RMB2.0 billion. In preparing the condensed consolidated financial statements, the Directors have given careful consideration of the liquidity requirement for the Group’s operations, the performance of the Group and available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. In the opinion of the Directors, the Group will have adequate funds available to enable it to operate as a going concern after taking into account, inter alia, the historical operating performance of the Group, good track record and relationship with banks and the following:

- (i) a fellow subsidiary has agreed to provide a revolving loan of HK\$1,000 million to the Group;
- (ii) the dividend expected to be distributed by an associate; and
- (iii) continuing financial support from the Company’s holding companies including letter of comfort offered by the intermediate holding company to financial institutions to the extent of RMB3 billion.

Accordingly, these financial statements have been prepared on the going concern basis which assumes, inter alia, the realisation of assets and satisfaction of liabilities in the normal course of business.

2.2 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting* issued by the International Accounting Standard Board (“IASB”) and the applicable disclosures requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025. It has been prepared under the historical cost convention, except for equity investments at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

The unaudited interim condensed consolidated financial information is presented in RMB and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

This interim condensed consolidated financial information has not been audited, but has been reviewed by the Company’s Audit Committee.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period’s financial information:

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the amended IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.
- (b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.
- (c) *Annual Improvements to IFRS Accounting Standards* – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

4. SEASONALITY OF OPERATIONS

Seasonal fluctuation exists in the natural gas business of the Group. The demand is generally higher in the second half of the year due to demand for heating consumption in winter.

The interim results for the first half of the year may not serve as an indication of the results of operations for the entire financial year.

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

Particulars of the Group's reportable operating segments are summarised as follows:

1. City gas operation segment engages in the distribution and sales of natural gas to residential, industrial and commercial consumers through pipelines, the sale of gas-related equipment and the provision of pipeline construction services, operation of CNG and LNG refueling stations for vehicles and related value-added service such as repair and maintenance services. Share of result of an associate, which is engaged in provision of port facilities for vessels and re-gasification of LNG, is also included in this segment;
2. Trading and distribution of natural gas segment trades and distributes CNG, LNG, fuel oil and other related oil by-product as a wholesaler to industrial users and commercial users, and direct LNG supply to industrial users through direct supply facilities; and
3. Development and operation of integrated clean energy and new energy segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss) for the period of the Group. The profit/(loss) for the period of each segment is measured consistently with the Group's profit before tax except that certain other income and gains, finance costs, reversal of impairment of unallocated assets, as well as and certain corporate expenses are excluded from such measurement.

Segment revenue and results

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

For the six months ended 30 June 2026

	City gas operation <i>RMB'000</i> (Unaudited)	Trading and distribution of natural gas <i>RMB'000</i> (Unaudited)	Development and operation of integrated clean energy and new energy <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
External segment revenue	<u>359,720</u>	<u>596,239</u>	<u>6,747</u>	<u>962,706</u>
Segment profit/(loss)	<u>107,512</u>	<u>(1,514)</u>	<u>3,340</u>	109,338
Unallocated other income and gains, net				6,268
Unallocated corporate expenses				(43,957)
Finance costs				(31,458)
Profit before tax				<u>40,191</u>

5. OPERATING SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2025

	City gas operation <i>RMB'000</i> (Unaudited)	Trading and distribution of natural gas <i>RMB'000</i> (Unaudited)	Development and operation of integrated clean energy and new energy <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
External segment revenue	<u>440,969</u>	<u>570,184</u>	<u>8,424</u>	<u>1,019,577</u>
Segment profit/(loss)	<u>120,113</u>	<u>(3,378)</u>	<u>5,132</u>	121,867
Unallocated other income and gains, net				9,484
Unallocated corporate expenses				(22,866)
Finance costs				<u>(45,547)</u>
Profit before tax				<u>62,938</u>

Geographical information

No geographical information is presented as more than 90% of the revenue during each of the periods ended 30 June 2026 and 30 June 2025 was derived from Chinese mainland, and more than 90% of the Group's non-current assets (other than financial assets) as at 30 June 2026 and 31 December 2025 are located in Chinese mainland.

6. REVENUE

An analysis of the Group's revenue for the period:

	Six months ended 30 June	
	2026 <i>RMB'000</i> (Unaudited)	2025 <i>RMB'000</i> (Unaudited)
City gas operation	359,720	440,969
Trading and distribution of natural gas	596,239	570,184
Development and operation of integrated clean energy and new energy	<u>6,747</u>	<u>8,424</u>
Total	<u>962,706</u>	<u>1,019,577</u>

7. OTHER INCOME AND GAINS, NET

An analysis of the Group's other income and gains, net for the period is as follows:

	Six months ended 30 June	
	2026 <i>RMB'000</i> (Unaudited)	2025 <i>RMB'000</i> (Unaudited)
Bank interest income	664	1,368
Government subsidies and grants	1,153	70
Foreign exchange differences, net	113	(195)
Others	4,338	8,241
Total	6,268	9,484

8. FINANCE COSTS

An analysis of the Group's finance costs for the period is as follows:

	Six months ended 30 June	
	2026 <i>RMB'000</i> (Unaudited)	2025 <i>RMB'000</i> (Unaudited)
Interest expense on bank loans	30,933	24,382
Interest expense on a loan from a fellow subsidiary	359	–
Interest expense on convertible bond	–	13,854
Interest expense on loans from the holding companies	–	7,275
Interest expense on lease liabilities	166	36
Total	31,458	45,547

9. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	934,972	988,085
Depreciation of property, plant and equipment	20,450	25,009
Depreciation of investment properties	1,832	1,621
Depreciation of right-of-use assets	2,526	3,387
Amortisation of operating rights*	8,765	8,765
Lease payments not included in the measurement of lease liabilities	3,075	2,965
Employee benefit expenses (including directors' emoluments):		
– Salaries, bonuses and other benefits	22,421	24,126
– Contribution to defined contribution plans	4,767	5,493
	27,188	29,619
Reversal of impairment of financial assets, net:		
– Trade receivables	(331)	(283)
– Deposits and other receivables	(4,844)	(7,755)
	(5,175)	(8,038)
Reversal of impairment of property, plant and equipment ^{&}	–	(446)

* The amortisation of operating rights for the period is included in “Cost of sales” in the condensed consolidated statement of profit or loss and other comprehensive income.

[&] The reversal of impairment of property, plant and equipment for the period is included in “Other expenses, net” in the condensed consolidated statement of profit or loss and other comprehensive income.

10. INCOME TAX

No Hong Kong profits tax has been provided for the six months ended 30 June 2026 as the Group did not derive any assessable profits in Hong Kong for that period (HY2025: Nil).

The income tax provision in respect of operations in Chinese mainland is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current – Chinese mainland		
Charge for the period	1,525	7,610
Withholding tax on the distribution of dividend from a PRC subsidiary	1,500	10,000
Deferred	(2,191)	(2,446)
Total tax expense for the period	834	15,164

11. DIVIDEND

The Board does not recommend declaration of interim dividend for the six months ended 30 June 2026 (HY2025: Nil).

12. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the period attributable to shareholders of the Company of RMB38,768,000 (HY2025: RMB52,206,000), and the weighted average number of ordinary shares of 22,736,114,715 (HY2025: 22,736,114,715) in issue during the Period.

The convertible bond was fully repaid during the year ended 31 December 2025. Accordingly, there were no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and no diluted earnings per share is presented for the period. For the six months ended 30 June 2025, no adjustment was made to the basic earnings per share amount presented for dilution purposes as the Company's outstanding convertible bond had no dilutive effect on the basic earnings per share amount.

13. TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	198,092	171,332
Impairment	(118,061)	(118,392)
Total	80,031	52,940

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Unbilled portion* and billed within 3 months	40,709	20,922
Billed:		
4 to 6 months	10,027	2,490
7 to 12 months	15,332	8,558
Over 1 year	13,963	20,970
Total	80,031	52,940

* The unbilled balance was attributable to sale of natural gas near the period end date and such sale will be billed in one month after each of the reporting periods.

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Billed:		
Within 3 months	24,114	21,778
4 to 6 months	9,648	7,901
7 to 12 months	5,767	3,740
Over 1 year	29,985	21,509
	69,514	54,928
Unbilled*	5,618	13,550
Total	75,132	68,478

* The unbilled balance was attributable to purchase of natural gas near the period end date and such purchase will be billed in one month after each of the reporting periods.

15. CAPITAL COMMITMENT

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property, plant and equipment	—	758
Total	—	758

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During HY2026, the global natural gas market remained under dual pressure from the situation in the Middle East and macroeconomic uncertainties. Market uncertainty triggered by the sudden interruption of nearly 20% of global liquefied natural gas supply led to sharp fluctuations in short-term natural gas prices. The closure of the Strait of Hormuz drove Asian spot LNG prices and European hub prices to their highest levels since the 2022-2023 energy crisis. Although prices retreated in the second quarter, they remained significantly higher than the levels in 2025. Nonetheless, robust growth in natural gas production in the United States exerted downward pressure on natural gas prices. The domestic natural gas market performed relatively weakly, affected by a loose supply-demand pattern and a slower pace of recovery in domestic demand. On the demand side, higher overall temperatures during the heating season led to a decline in the seasonal peak demand for city gas, with a corresponding weakening of peak-shaving support; cost constraints on end-user energy use in the industrial sector continued to emerge, and as LNG prices rose, its comparative advantage relative to pipeline gas and other clean energy sources gradually narrowed, prompting some industrial users to adjust their energy-use plans, while market procurement demand at vehicle LNG terminals also contracted on a phased basis. In addition, reciprocal China-US tariffs posed a certain drag on the operating rates of domestic natural gas end users, and industrial and chemical demand likewise remained relatively weak. Statistics released by the National Development and Reform Commission showed that total domestic apparent consumption of natural gas amounted to 206.85 billion cubic meters (“m³”) in the first half of 2026, down by 2.4% year on year. According to data published by the National Energy Administration, 133.0 billion m³ of natural gas were produced by industrial enterprises above the designated size in HY2026, up by 1.6% year on year; imported natural gas amounted to 57.38 million tonnes, down by 3.5% year on year.

Looking back at the first half of the year, amid a complex environment of continued external geopolitical disturbances and sharp fluctuations in global commodity markets, the Chinese government implemented more proactive and effective macroeconomic policies. The national economy achieved stable operation under multiple pressures, with supply-side resilience continuing to strengthen on the production front, the domestic demand market steadily recovering, and new industries, new tracks and new growth drivers continuously growing and expanding. High-quality development is steadily advancing toward a direction of better structure and renewed drivers. The energy sector remained anchored to the main line of green and low-carbon transition, and continued to deepen the optimization and adjustment of the energy structure. As a key transitional carrier bridging fossil energy and renewable energy, natural gas is gradually becoming a core hub supporting the smooth transition of China's energy system, playing an irreplaceable role in safeguarding energy supply security and smoothing the volatility of new energy. In June 2026, the National Development and Reform Commission and the National Energy Administration formally issued the 15th Five-Year Plan for the Construction of a New-Type Energy System(《新型能源體系建設「十五五」規劃》), anchoring the direction for the medium-to long-term high-quality development of the energy industry. The plan clearly proposes to preliminarily establish a clean, low-carbon, safe and efficient new-type energy system by 2030, and sets a series of quantitative targets: comprehensive energy production capacity to reach 5.8 billion tonnes of standard coal; the complementary mutual support and security resilience of the power system to be comprehensively enhanced, with energy imports diversified and controllable; coal and oil consumption to peak, the share of non-fossil energy consumption to reach 25%, the share of wind and solar installed capacity to exceed 50% and become the mainstay of power installed capacity, and the share of non-fossil energy power generation to reach 50% and become the mainstay of electricity output. Pursuant to the deployment, a comprehensive evaluation indicator system for new energy consumption will be established and improved, with the share of new energy power generation to reach 30% by 2030; distribution grids will be promoted to transform into platforms for efficient allocation of source-grid-load-storage resources, striving to possess the capacity to accommodate 900 million kilowatts of distributed new energy access by 2030; pumped storage installed capacity to reach around 160 million kilowatts by 2030, and new-type energy storage installed capacity to reach 300 million kilowatts; the large-scale development of virtual power plants will be accelerated, with virtual power plant regulation capacity to reach over 50 million kilowatts by 2030; and crude oil annual production will be stabilised at the level of 200 million tonnes, with natural gas production growing steadily.

In respect of other policies, in February 2026 the National Energy Administration issued the Implementation Plan for National Natural Gas Supply Assurance Work for 2026 (《2026年全國天然氣保供工作實施方案》), coordinating tasks including increasing production from domestic gas fields, diversifying the layout of imported gas sources, and off-peak peak-shaving by storage facilities, and clearly requiring domestic natural gas production to increase steadily year on year and oil and gas reserve peak-shaving capacity to be further released, providing institutional safeguards for the stable supply of industrial gas in the first half of the year. In March 2026, the Ministry of Housing and Urban-Rural Development issued the Action Plan for the Renovation of Aging City Gas Pipelines for 2026 (《2026年城市燃氣管道老化更新改造攻堅方案》), clearly requiring completion in the first half of the year of the renovation of over 10,000 kilometres of aging gas pipelines in key cities nationwide, strengthening project safety control throughout the entire process, and consolidating the foundation for the safe operation of city gas transmission and distribution networks. In May 2026, the National Development and Reform Commission issued the Implementation Plan for Advancing Renewable Energy Substitution Actions for 2026 (《2026年可再生能源替代行動推進方案》), promoting new progress in renewable energy substitution in industry, transportation and construction, with the share of non-fossil energy consumption steadily rising to around 20.5% in the first half of the year, providing practical support for the green energy transition. In June 2026, the National Energy Administration issued the Action Plan for Energy Conservation and Carbon Reduction in the Energy Sector (2026-2028) (《能源領域節能降碳行動計劃(2026—2028年)》), requiring that by 2028, the share of non-fossil energy consumption increase by approximately 1 percentage point annually; coal consumption for power supply of coal-fired generating units be reasonably controlled, with the proportion of coal-fired power capacity reaching the prevailing energy-efficiency benchmark level striving to increase by 15 percentage points. At the same time, the transformation of industrial energy supply models will be accelerated. Development and utilisation of renewable energy in industrial parks and surrounding areas will be strengthened, large chemical industrial parks will be supported in exploring the use of nuclear energy for heating and steam supply, and the construction of zero-carbon parks and factories will be supported. Factories with the necessary conditions will be encouraged to build industrial green microgrids, integrating applications of photovoltaics, wind power, high-efficiency heat pumps, new-type energy storage, hydrogen energy, waste heat, residual pressure and residual gas, and intelligent energy management and control as integrated systems.

As a key participant in the energy system, the Group has always remained committed to its core mission of ensuring energy security, further consolidating the foundation of resource supply, and continuously enhancing supply resilience and turnover efficiency across the entire industrial chain to ensure the stable operation of its core business segments. Meanwhile, closely aligning with the orientation of the national “dual carbon” strategic goals and fully leveraging its long-accumulated advantages in energy infrastructure and customer networks, the Group has accelerated the extension of its business chain into integrated energy services, actively laid out new energy businesses, and endeavoured to build new clean, low-carbon, safe and efficient profit growth drivers, continuing to contribute its professional strengths to the construction of a new-type energy supply system.

BUSINESS REVIEW

During the six months ended 30 June 2026 (“**HY2026**” or the “**Period**”), the Group continued to leverage its strengths across the entire industrial chain, cultivated in-depth insights into customer demand scenarios, ensured the stable operation of its natural gas business, and at the same time accelerated the advancement of its new energy business. For HY2026, the Group’s total gas sales volume amounted to 314.4 million m³ (for the six months ended 30 June 2025 (“**HY2025**”): 324.9 million m³), representing a decrease of 3.2% as compared to the same period last year, which was mainly because warmer winter weather led to a year-on-year decline in residential heating gas consumption, and a reduction in factory orders led to a decline in industrial gas consumption.

During the Period, the revenue of the Group was RMB962.7 million (HY2025: RMB1,019.6 million), representing a decrease of 5.6% as compared to HY2025, which was primarily due to the relatively weak demand for the city gas business. The total gross profit of the Group was RMB4.0 million (HY2025: RMB12.3 million), representing a decrease of 67.3% as compared to HY2025. The gross profit margin was 0.4% (HY2025: 1.2%). For HY2026, profit attributable to shareholders of the Company was RMB38.8 million (HY2025: RMB52.2 million), representing a decrease of 25.7% as compared to HY2025. This was mainly due to the decreases in gross profit and share of profit of associates as compared to HY2025.

As at 30 June 2026, the Group’s natural gas projects mainly covered 7 provinces and autonomous regions in the PRC, details of which are set out below:

Location	LNG/CNG refueling stations Approximate gas sales volume (m ³)	City gas Approximate gas sales volume (m ³)	Direct supply Approximate gas sales volume (m ³)	Trading and distribution Approximate gas sales volume (m ³)	Subtotal Approximate gas sales volume (m ³)	LNG processing volume Approximate processing volume (m ³)	Total Approximate volume (m ³)
Subsidiaries:							
Zhejiang Province	–	–	–	187,233,350	187,233,350	–	187,233,350
Shanxi Province	–	52,611,161	–	–	52,611,161	–	52,611,161
Guangxi Zhuang Autonomous Region	2,524,020	35,749,917	500,280	–	38,774,217	–	38,774,217
Jilin Province	–	18,951,098	–	–	18,951,098	–	18,951,098
Guangdong Province	–	–	–	14,694,211	14,694,211	–	14,694,211
Liaoning Province	–	2,107,796	–	–	2,107,796	–	2,107,796
Subtotal	2,524,020	109,419,972	500,280	201,927,561	314,371,833	–	314,371,833
Associate:							
Hebei Province	–	–	–	–	–	2,584,690,000	2,584,690,000
Subtotal	–	–	–	–	–	2,584,690,000	2,584,690,000
Total	2,524,020	109,419,972	500,280	201,927,561	314,371,833	2,584,690,000	2,899,061,833

Financial Highlights:

	For the six months ended 30 June		Change %
	2026 <i>RMB'000</i> (Unaudited)	2025 <i>RMB'000</i> (Unaudited)	
Revenue	962,706	1,019,577	(5.6)
Gross profit	4,039	12,336	(67.3)
Gross profit margin (%)	0.4%	1.2%	decrease by 0.8 percentage points
Profit for the period	39,357	47,774	(17.6)
Profit attributable to shareholders of the Company	38,768	52,206	(25.7)
Basic earnings per share (RMB cents)	RMB0.17 cents	RMB0.23 cents	(26.1)
EBITDA	105,222	147,267	(28.6)
	30 June 2026 <i>RMB'000</i> (Unaudited)	31 December 2025 <i>RMB'000</i> (Audited)	Change %
Cash and cash equivalents	251,601	287,593	(12.5)
Total assets	4,246,680	4,182,638	1.5
Total equity	1,529,272	1,523,811	0.4

Development and Operation of City Gas Business

In HY2026, the Group closely followed developments and policy orientations in domestic and international energy markets, dynamically optimized its operating strategy deployment, and, through structural optimization of the city gas business, regional resource integration and upgrading of operating efficiency, promoted steady progress and resilient growth of its core foundational business. Currently, the Group has 5 city gas projects, principally located in Guangxi Zhuang Autonomous Region, Shanxi Province and other regions. Details of the operating performance of the Group's development and operation of city gas business are set out below:

	HY2026	HY2025	Change %
Natural gas volume sold (million m³)	109.4	131.7	(16.9)
– Residential users	47.4	51.4	(7.8)
– Non-residential users	62.0	80.3	(22.8)

The natural gas volume sold to residential users and non-residential users reached 109.4 million m³ (HY2025: 131.7 million m³), representing a decrease of 16.9% as compared to HY2025, which was mainly due to warmer winter weather leading to a year-on-year decline in residential heating gas consumption, and a reduction in factory orders leading to a decline in industrial gas consumption. During the Period, the Group connected gas pipelines for 10,083 new users, and the accumulated number of users reached 607,640, of which 10,076 were new residential users, with the accumulated number of residential users reaching 603,789; the number of non-residential users increased by 7 and the accumulated non-residential users reached 3,851. For the LNG and CNG refueling station business, the Group recorded gas sales volume of 2.5 million m³ (HY2025: 0.4 million m³).

In HY2026, the Group recorded revenue of RMB359.7 million from city gas business (HY2025: RMB441.0 million), representing a decrease of 18.4% as compared to HY2025. Among which, income from natural gas sales amounted to approximately RMB342.1 million (HY2025: RMB414.3 million), representing a decrease of 17.4% as compared to HY2025. The Group recorded connection fee income of RMB17.6 million (HY2025: RMB26.7 million), representing a decrease of 34.1% as compared to HY2025. The decrease in the income from natural gas sales and connection fee was mainly due to the decrease in demand from users of city gas projects as compared to HY2025.

Trading and Distribution of LNG and CNG Business

During HY2026, the Group recorded a total trading volume of 201.9 million m³ (HY2025: 192.3 million m³), representing an increase of 5.0% as compared to HY2025. During HY2026, the Group sold 0.5 million m³ (HY2025: 0.5 million m³) of natural gas to its direct supply industrial users.

The segment sales of the trading and distribution business amounted to RMB596.2 million (HY2025: RMB570.2 million). The business segment sales remained stable.

In HY2026, the international geopolitical situation continued to disturb the global LNG market landscape. European LNG import demand remained high and competition for restocking intensified, posing certain obstacles to further growth in domestic LNG import volumes. However, affected by overall warmer temperatures during the heating season, the pace of domestic natural gas inventory drawdown slowed markedly and, against a backdrop of relatively moderate demand for LNG peak-shaving and restocking, the overall loose supply-demand situation in China's LNG market remained stable.

Facing the above market environment, the Group closely tracked movements in international gas source prices, flexibly adjusted its procurement strategies, seized market windows to lock in quality gas sources with cost competitiveness, and continued to strengthen its resource assurance foundation. At the same time, the Group fully deepened strategic cooperation with upstream suppliers, optimized its procurement structure, and enhanced the stability of gas supply and cost advantages. In October 2023, the Group entered into a master agreement (the “**Agreement**”) with Beijing Gas Group (Tianjin) Natural Gas Limited* (北京燃氣集團(天津)天然氣銷售有限公司) (“**BGGT**”), a wholly-owned subsidiary of Beijing Gas Group, the controlling shareholder of the Group, pursuant to which BGGT (or its designated subsidiaries or associates) agreed to sell and the Company (or its designated subsidiaries) agreed to purchase natural gas for a term commencing from 1 January 2024 to 31 December 2026 (both days inclusive). The Agreement provides strong assurance for natural gas supply to the Group and robust support for business expansion, and also reflects the solid backing from Beijing Gas Group for the Group's business development.

LNG Receiving Terminal Project

As at 30 June 2026, the Group owned 29% equity interests in PetroChina Jingtang. The LNG receiving terminal of PetroChina Jingtang is the main winter peak loading and supply station in the Beijing-Tianjin-Hebei region with the largest storage capacity and the strongest peak-loading capacity in the PRC. Facilities such as supporting dedicated docks and export pipelines have been constructed, with storage capacity reaching 1.28 million m³, and can supply approximately 4 billion m³ of natural gas to the Beijing-Tianjin-Hebei region annually. At peak times, the gas supply by such facilities of PetroChina Jingtang to Beijing can account for about 40% of the total consumption in Beijing.

During HY2026, the total throughput volume of LNG of the PetroChina Jingtang Project amounted to 2,584.7 million m³ (HY2025: 2,959.9 million m³), representing a decrease of 12.7% as compared to HY2025, which was mainly due to the situation in the Middle East leading to the closure of the Strait of Hormuz, with some vessels unable to arrive at port.

Development and Operation of Integrated Clean Energy and New Energy Business

The wave of energy transition is sweeping across the globe, and the traditional energy industry is at a new development stage where opportunities and challenges coexist. 2026, being the opening year of the national 15th Five-Year Plan period, sees the policy orientation of accelerating the construction of a new-type energy system continuing to deepen, and proactively advancing low-carbon transition has become the core path for traditional energy enterprises to navigate cycles and achieve long-term sustainable development. The Group firmly anchors the direction of industry transformation, adheres to the core main line of the “dual carbon” strategy, continues to deepen its dual-engine layout of “natural gas core business + new energy business”, and steadily advances its strategic upgrade toward becoming an innovative integrated energy service provider.

In the natural gas core business segment, relying on the dual support of the implementation of the pass-through pricing mechanism and local fiscal subsidies, the cost pass-through capability of core regional projects in Tengxian, Songyuan, Shanxi and elsewhere continues to improve, and subsequent profit growth potential will be further released, consolidating the core foundation of the Group’s cash flow and profits. In the new energy business segment, the Group has established a dedicated new energy business department, focusing on deep cultivation and layout in high-growth tracks such as energy storage, distributed energy and multi-energy complementarity; as early as May 2025, the Group and Beijing Xinao New Energy jointly established an integrated energy services company, in which the Group holds a 51% controlling interest, achieving deep integration of resource and technology advantages. Going forward, the Group will continue to deepen refined operations of existing enterprise and cooperation projects, strengthen technological innovation and cross-domain resource integration capabilities, accelerate exploration of new scenarios in renewable energy such as hydrogen energy and distributed photovoltaics, promote deep synergy between traditional natural gas strengths and incremental new energy businesses, and fully complete its transformation target toward becoming an innovative integrated energy service provider.

(i) Beijing United Energy Engineering & Technology Company Limited* (北京優奈特能源工程技術有限公司) (“Beijing United”)

The Group holds 49% equity interest in Beijing United. Beijing United is an enterprise in the technology space that is principally engaged in the planning, designing and consulting of gas, heat, comprehensive energy utilisation and new energy power generation projects. The business of Beijing United will facilitate the Group’s accelerated development of its renewable energy business and expansion of its clean energy sector, thereby bringing new momentum to the business of the Group.

(ii) Beiqijia Business Park Energy Center Project (“Beiqijia Assets”)

Beiqijia Assets are principally utilised in the provision of cooling and heating services to occupants in the Beiqijia Business Park Energy Center Project. The cooling and heating areas of the commercial area (non-residential) and the residential area (residential) cover over 131,000 square meters and over 51,900 square meters, respectively; the numbers of cooling and heating service users in the commercial area (non-residential) and the residential area (residential) are approximately 211 and approximately 698, respectively.

During the Period, Beiqijia Assets contributed revenue of RMB5.7 million (HY2025: RMB6.7 million), and segment profit of RMB1.7 million (HY2025: RMB2.0 million), to the integrated clean energy and new energy business of the Group.

(iii) Energy storage business

The user-side energy storage system project (the “**Yangzhou Project**”) of Yangzhou WuTingQiao Cylinder Liner Co., Ltd.* (揚州五亭橋缸套有限公司), invested and constructed by the Group’s subsidiary Zhejiang Bo Xin Energy Co., Ltd.* (浙江博信能源有限公司), officially commenced operations in the fourth quarter of 2024. During the Period, other energy storage businesses also commenced operations in various regions.

(iv) Establishment of an entity to develop integrated clean energy business

On 19 May 2025, the Group announced the entering into of an agreement with Beijing Xinao New Energy Investment Company Limited* (北京新奧新能能源投資有限公司), a wholly-owned subsidiary of ENN Energy Holdings Limited (stock code: 2688), under which the parties will establish an entity with the Group holding a 51% equity interest. The entity is established for the purpose of engaging in comprehensive energy service business; investment, construction and operation of comprehensive energy facilities; and construction and operation of an integrated energy intelligent management platform. This will help the Group seize market opportunities, further expand the integrated energy market and develop energy-saving businesses, achieve diversified development of its energy business, build comprehensive energy service capabilities, and enhance the Group’s sustainable development capabilities and corporate competitiveness.

FUTURE PROSPECTS

In HY2026, the Group continued to receive positive feedback on its performance in promoting sustainable development. In the Jinge Award selection organised by Gelonghui, following its award of “Excellent Enterprise in ESG Innovation and Practice” (“ESG 創新實踐卓越企業”) in 2025, the Group was once again awarded the “Leading Enterprise in Green Energy” (“綠色能源領軍企業”) award, in recognition of the Company as a pioneering enterprise in green energy that drives the implementation of ESG concepts through innovative technologies and models and accelerates conversion into commercial value.

Looking ahead to the second half of 2026, China’s economy will continue its recovery and upward trajectory amid the interplay of intensifying global geopolitical contestation and the domestic transition between old and new growth drivers. Macroeconomic policies will continue to take effect, the effects of earlier growth-stabilisation policies will continue to be released, and funding from ultra-long-term special treasury bonds and special-purpose bonds will be accelerated in deployment, with effective investment expected to expand, providing support for achieving the full-year growth target of around 5%. As new quality productive forces are cultivated at a faster pace and domestic demand potential is gradually released, the endogenous drivers and sustainability of economic growth are expected to further improve. In the energy sector, the green and low-carbon transition will advance in depth; as a key transitional energy in the energy transition, the consumption scale of natural gas is expected to expand steadily, and the share of non-fossil energy consumption will continue to rise, injecting cleaner and safer green momentum into high-quality economic and social development.

The Group will seize the strategic window of energy transition, closely centre on the clean and low-carbon transition direction set out in the 15th Five-Year Plan for the Construction of a New-Type Energy System (《新型能源體系建設「十五五」規劃》), fully leverage its resource and industrial synergy advantages, continue to deepen its layout across the entire natural gas industrial chain, increase exploration of clean energy and new energy businesses, continuously enhance core competitiveness and sustainable development capabilities, and contribute greater strength to national energy security and the green and low-carbon transition.

FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB962.7 million for HY2026 (HY2025: RMB1,019.6 million), representing a decrease of 5.6% as compared to HY2025, mainly attributable to the relatively weak demand for the city gas business.

Gross profit and gross profit margin

In HY2026, the Group recorded gross profit of RMB4.0 million, representing a decrease of RMB8.3 million from RMB12.3 million for HY2025, and a decrease of 67.3% as compared to HY2025. The Group’s gross profit margin decreased from 1.2% for HY2025 to 0.4% for HY2026, which was mainly due to the increase in cost of sales resulting from the continuous adjustments in upstream prices.

Earnings before interests, tax, depreciation and amortisation

Earnings before interests, tax, depreciation and amortisation reached RMB105.2 million for HY 2026 (HY2025: RMB147.3 million).

Other income and gains, net

In HY2026, the Group's other income and gains, net amounted to RMB6.3 million, representing a decrease of RMB3.2 million as compared to RMB9.5 million in HY2025.

Administrative expenses

In HY2026, administrative expenses increased from RMB52.3 million for HY2025 to RMB54.0 million for HY2026, remaining broadly stable as compared to HY2025.

Reversal of impairment of financial assets, net

In HY2026, the Group's reversal of impairment of financial assets, net amounted to RMB5.2 million, representing a decrease of RMB2.8 million as compared with the reversal of RMB8.0 million in HY2025.

Other expenses, net

In HY2026, the Group's other expenses, net amounted to RMB6.2 million (HY2025: RMB0.8 million), representing an increase of RMB5.4 million as compared to HY2025.

Finance costs

Finance costs decreased by 30.8% from RMB45.5 million for HY2025 to RMB31.5 million for HY2026, which was due to the Group's continued replacement of higher-interest-bearing bank borrowings with lower-interest-bearing bank borrowings.

Income tax

For HY2026 and HY2025, income tax expenses were calculated at the applicable tax rates on the estimated assessable profits of the Group's subsidiaries in Chinese mainland and subsidiaries in Hong Kong, respectively. Income tax expenses of RMB0.8 million (HY2025: RMB15.2 million) for HY2026 mainly represented: (i) the current taxation arising from its subsidiaries in Chinese mainland of RMB1.5 million (HY2025: current taxation of RMB7.6 million); and (ii) the withholding tax on the dividend distributed from a PRC subsidiary of RMB1.5 million (HY2025: RMB10.0 million).

Profit attributable to shareholders of the Company

In HY2026, the Group's profit for the period attributable to shareholders of the Company decreased by 25.7% from RMB52.2 million for HY2025 to RMB38.8 million for HY2026, which was mainly due to the decreases in gross profit and share of profit of associates during the Period as compared to HY2025.

CHANGES IN MAJOR ITEMS OF THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment mainly represented the carrying amount of city gas projects held by the Group. The balance of property, plant and equipment as at 30 June 2026 decreased by RMB11.4 million as compared to that at the end of 2025, mainly due to the impact of depreciation provision in HY2026.

Goodwill arose from the acquisitions of subsidiaries since 2015.

Operating rights mainly represented the operating rights arising from the acquisition of city gas project business with reference to IFRS 3 (Revised) *Business Combinations*.

The investment in associates was mainly attributable to the Group's 29% equity interests in PetroChina Jingtang, and the increase in net amount as at 30 June 2026 as compared to that as at 31 December 2025 was mainly due to the share of profit generated by PetroChina Jingtang, an associate, during the Period.

Current assets

The balance of trade receivables increased by RMB27.1 million as compared to the balance as at 31 December 2025. The increase is related to slower collection of receivables as a result of the overall economic environment.

The balance of prepayments, deposits and other receivables decreased by RMB10.7 million as compared to the balance as at 31 December 2025, mainly due to the collection of the relevant amounts.

The balance of cash and cash equivalents amounted to RMB251.6 million, representing a decrease of RMB36.0 million as compared to that as at 31 December 2025.

Non-current liabilities

The balance of non-current liabilities remained broadly flat as compared to the balance as at 31 December 2025.

Current liabilities

The balance of trade and bills payables remained broadly flat as compared to the balance as at 31 December 2025.

The decrease in the balance of other payables and accruals as at 30 June 2026 as compared to that as at 31 December 2025 was mainly due to the Group's continued efforts to strengthen cash flow management and enhance efficiency.

Bank and other borrowings increased by RMB62.2 million as compared to the balance as at 31 December 2025, mainly due to the impact of the Group's replacement of certain bank and other borrowings during the Period.

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group financed its operations with shareholders' equity and bank and other borrowings.

The Group maintained conservative treasury policies and upheld tight control over its cash and risk management. As at 30 June 2026, the Group maintained cash and cash equivalents amounting to RMB251.6 million (31 December 2025: RMB287.6 million), representing a decrease of 12.5% from 31 December 2025. In addition, as at 30 June 2026, the Group had restricted cash of RMB9.4 million (31 December 2025: RMB17.6 million).

As at 30 June 2026, the Group had net current liabilities of RMB2,013.0 million (31 December 2025: RMB1,930.6 million). As at 30 June 2026, the Group's current ratio, calculated on the basis of the Group's current assets over current liabilities, was 0.23 (31 December 2025: 0.25).

As at 30 June 2026, total assets of the Group amounted to RMB4,246.7 million (31 December 2025: RMB4,182.6 million), and the Group's debt asset ratio (being total liabilities divided by total assets) was 64.0% (31 December 2025: 63.6%). As at 30 June 2026, the Group had total borrowings of RMB2,360.4 million (31 December 2025: RMB2,291.7 million), and the Group's leverage ratio (being total borrowings divided by total assets) was 55.6% (31 December 2025: 54.8%).

As at 30 June 2026, the Group's net liability ratio (being net borrowings (including bank and other borrowings less cash and cash equivalents) divided by total equity) was 137.9% (31 December 2025: 131.5%).

The Group started to replace HK\$ and USD bank and other borrowings with RMB bank borrowings in 2023 to take full advantage of the lower-cost financing in RMB. During HY2026, the Group continued to obtain lower-interest debt financing, including RMB bank borrowings equivalent to a total of HK\$1,000,000,000.

The management of the Company has been reviewing the financial position of the Group from time to time with a view to optimizing the financing position of the Group, including but not limited to the entering into a HK\$700,000,000 refinancing connected transaction with Beijing Gas Group in December 2023 to manage the fluctuations in borrowing rates and mitigate the exchange rate risk on the Group, and obtaining other lower-interest RMB bank borrowings equivalent to HK\$1,000,000,000 during HY2026.

Please refer to the Company's circular dated 8 January 2024 and announcements dated 22 April 2026, 1 June 2026, and 22 June 2026 for the said measures implemented by the Group.

Going forward, the Group will continue to enhance its financing portfolio and improve the financial independence of the Group by exploring different financing options available to the Group.

During HY2026, the Group neither entered into any financial instrument for hedging purposes nor other hedging instruments to hedge against foreign exchange rate risks.

EMPLOYEES' INFORMATION

The Group's employees are based in Chinese mainland and Hong Kong. As at 30 June 2026, there were 509 (31 December 2025: 496) employees in the Group. Staff remuneration packages are determined with reference to market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

TAX RELIEF

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2026, the Group's assets were secured for bank and other borrowings as follows:

- (i) pledges over certain of the Group's property, plant and equipment; and/or
- (ii) pledges by the right of collection of receivables from the sales of natural gas of a subsidiary.

Save as disclosed above, the Group did not have any charges on the Group's assets as at 30 June 2026.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Company does not have significant exposure on foreign currency risk as most of the monetary assets and liabilities are denominated in RMB. The Group currently does not have a foreign currency hedging policy. However, the Directors will continue to monitor the related foreign exchange exposure, and will adopt proper measures to reduce the currency risk exposures of the Group based on its operating needs.

CONTINGENT LIABILITIES

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

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, there were no other significant events of the Group after the reporting period and up to the date of this announcement.

DIVIDEND

The Board does not recommend declaration of an interim dividend for HY2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in this announcement, the Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the date of this announcement, the Company had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the shareholders of the Company as a whole. The potential investment opportunity will be funded by internal resources.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) comprises three members, namely Ms. Hsu Wai Man Helen (“**Ms. Hsu**”), Mr. Xu Jianwen and Mr. Cui Yulei, all being independent non-executive Directors. Ms. Hsu serves as the chairlady of the Audit Committee. The Audit Committee has reviewed with the management the condensed consolidated financial statements of the Company and its unaudited consolidated interim results for HY2026. The Audit Committee considers that appropriate accounting policies have been adopted in the preparation of relevant results and sufficient disclosures have been made.

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

During HY2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

The Board is committed to maintaining a high standard of corporate governance and has put in place self-regulatory corporate practices for compliance with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) from time to time as set out in Appendix C1 to the Listing Rules. The Group adopted practices which meet the CG Code during HY2026.

The Company has complied with the code provisions listed in the CG Code during HY2026.

COMPLIANCE WITH THE MODEL CODE

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by the Directors. The Board confirms that, having made specific enquiries with all Directors, all Directors have complied with the Model Code throughout HY2026.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bgbluesky.com). The interim report of the Company for HY2026 containing all the information required by the Listing Rules will be despatched to the shareholders and available on the aforesaid websites in due course.

By order of the Board
Beijing Gas Blue Sky Holdings Limited
Li Weiqi
Chairman

Hong Kong, 26 August 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Li Weiqi, Mr. Wu Haipeng, Mr. Li Xianning and Mr. Yeung Shek Hin; the non-executive Director of the Company is Mr. Gao Ping; and the independent non-executive Directors of the Company are Mr. Xu Jianwen, Ms. Hsu Wai Man Helen and Mr. Cui Yulei.

* *For identification purpose only*