港華智慧能源有限公司
Towngas Smart Energy Company Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1083)

2026 Interim Report

Smart Energy
for a Greener Future

Corporate Information

Board of Directors

Non-executive Directors
Lee Ka-kit (Chairman)

Independent Non-executive Directors
Moses Cheng Mo-chi
Brian David Li Man-bun
Christine Loh Kung-wai
Kenneth Liu Kai-lap*

Executive Directors
Peter Wong Wai-yee
(Chief Executive Officer)
John Qiu Jian-hang
(Chief Operating Officer – Renewable Business)
Zhou Heng-xiang
(Chief Operating Officer – Mainland Gas Business)

Company Secretary
Elsa Wong Lai-kin

Board Audit and Risk Committee
Brian David Li Man-bun (Chairman)
Moses Cheng Mo-chi
Christine Loh Kung-wai
Kenneth Liu Kai-lap*

Remuneration Committee
Moses Cheng Mo-chi (Chairman)
Brian David Li Man-bun
Christine Loh Kung-wai
Kenneth Liu Kai-lap*

Nomination Committee
Lee Ka-kit (Chairman)
Moses Cheng Mo-chi
Brian David Li Man-bun
Christine Loh Kung-wai
Kenneth Liu Kai-lap*

Environmental, Social and Governance Committee
Christine Loh Kung-wai (Chairman)
Peter Wong Wai-yee
John Qiu Jian-hang
Zhou Heng-xiang

Registered Office
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head Office and Principal Place of Business
23rd Floor, 363 Java Road
North Point, Hong Kong

Company's Website
www.towngassmartenergy.com

Principal Share Registrar and Transfer Office
Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Hong Kong Branch Share Registrar
Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel: 2862 8555
Fax: 2865 0990

Hong Kong Branch Share Transfer Office
Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel: 2862 8555
Fax: 2865 0990

Auditor
Deloitte Touche Tohmatsu
Certified Public Accountants and
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

Investor Relations
Group Investor Relations Department
Tel: 2963 2739
Fax: 2911 9005
e-mail: tsel.ir@towngassmartenergy.com

Corporate Affairs Department
Tel: 2963 3493
Fax: 2516 7368
e-mail: cad@towngas.com

Company Secretarial Department
Tel: 2963 3298
Fax: 2561 6618
e-mail: tselcompsec@towngas.com

* *Re-designated as an Independent Non-executive Director and appointed as a member of the Board Audit and Risk Committee, Remuneration Committee and Nomination Committee with effect from 9th September 2026.*

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Financial Highlights

Highlights of the unaudited results of the Group's business for the first half of the year and the comparative figures for the corresponding period last year, unless otherwise stated, are as follows:

		2025
Revenue (HK million dollars)	11,328	10,437
Core operating profit (HK million dollars)	690	719
Profit attributable to shareholders (HK million dollars)	690	758
Basic earnings per share (HK cents)	18.8	21.8
Interim dividend per share (HK cents)	5.0	5.0
Total photovoltaic grid connection (as at 30th June, GW)	3.0	2.8#
Gas sales volume (million cubic metres)	8,535	8,746
Number of city-gas customers (as at 30th June, million*)	18.66	18.39#

* *Inclusive of all city-gas projects of the Group*

\# *as at 31st December 2025*

Interim Dividend

Despite facing multiple challenges, the Group has steadily advanced its businesses by leveraging its solid performance and professional management, the Board has declared an interim dividend of HK5 cents per share payable to shareholders whose names are on the Register of Members of the Company as at 4th September 2026, being the record date for determining shareholders' entitlement to the interim dividend, as a token of appreciation for shareholders' continued support. The Register of Members will be closed from Wednesday, 2nd September 2026 to Friday, 4th September 2026 (both days inclusive), during which period no share transfers will be effected.

Management Discussion and Analysis

Since the beginning of the year, the global geopolitical and economic landscape has remained complex and volatile. On the Chinese mainland, the economy still requires time to absorb accumulated pressure amid property market adjustments, the upgrading of industrial energy consumption structures, and the rollout of various reform measures. Slower growth in gas demand and fluctuations in energy prices have inevitably affected industry profitability. Nevertheless, the national 15th Five-Year Plan has reaffirmed its support for new energy and the green transformation, while the Chinese mainland's economic structure is shifting towards high-quality development, laying the foundation for future growth.

In response to these policy opportunities, the Group continued to pursue its twin-track strategy of green energy and technological innovation. Accordingly, it has deployed advanced technology to strengthen energy management, improve operational efficiency and reinforce risk resilience. At the same time, the Group has enhanced efficiency, reduced costs, optimised gas sourcing and promoted the development of new quality productive forces. Revenue for the first half of 2026 grew by 9%, reflecting the Group's ability to maintain relatively resilient performance and competitiveness in a challenging market.

Mainland Gas Business

In the first half of the year, the Chinese mainland property market continued its adjustment, putting pressure on the new customer connection business. This, together with a warmer winter, affected the overall performance of the gas industry. In response, the Group capitalised on two major policy opportunities, namely the low-carbon transition and urban renewal. This enabled it to expand its integrated natural gas energy supply business for industrial and commercial customers. The expansion focused on three key areas: the clean energy replacement of bulk coal for industrial use, gas infrastructure upgrades in older residential communities, and gas supplies for green buildings. Concurrently, the Group accelerated the expansion of pipeline coverage in existing communities and renewed ageing pipeline networks, while advancing new low-carbon energy initiatives such as biomethane and gas-hydrogen integration. As a result of these initiatives, the growth constraints arising from the slowdown in new property development were mitigated, generating steady incremental increases in existing markets and keeping overall operations on a solid upward trajectory.

In the first half of 2026, the Group's total gas sales volume reached approximately 8.54 billion cubic metres, representing a slight year-on-year decline of about 2%. In terms of the gas sales mix, residential gas accounted for 1.89 billion cubic metres (22%), commercial gas for 0.9 billion cubic metres (10%), industrial gas for 4.06 billion cubic metres (48%), and distribution and power generation for 1.69 billion cubic metres (20%). As at 30th June 2026, the Group operated 197 city-gas projects across 19 provincial regions on the Chinese mainland. During the period, 270,000 new customers were added, bringing the total customer base to 18.66 million.

During the first half of the year, the Group implemented an upstream and downstream natural gas price linkage mechanism. Cost pass-throughs were achieved for over 90% of residential users and 100% of industrial and commercial users. The average dollar margin for city gas increased by RMB0.02 per cubic metre year-on-year to RMB0.59 per cubic metre, contributing to improved overall profitability.

The Group increased its strategic cooperation with the three major national petroleum corporations and provincial gas platforms during the period. Adopting a centralised negotiation and decentralised signing model, the Group secured medium- to long-term procurement contracts and increased its access to coalbed methane and liquefied natural gas ("LNG") resources from Shaanxi, Shanxi and Ningxia. This enabled the Group to diversify its supply channels and hedge against market volatility. In addition to this, the Jintan underground salt cavern gas storage facility in Jiangsu Province achieved two-way operational coordination with the Weiyuan emergency peak-shaving storage and distribution base in Sichuan Province. As a result, the Group's cross-provincial peak-shaving coverage was expanded and regional supply security and market-based trading capabilities enhanced.

By advancing its core "Gas+" strategy, the Group was able to focus on the comprehensive energy needs of existing industrial and commercial customers. Improvements under this strategy included integrated energy supply, energy management outsourcing and energy conservation services, as well as product and technology operations and maintenance. Through these efforts, the business achieved energy sales of 810 million kWh in the first half of the year, driving natural gas sales volume of 70 million cubic metres.

In support of national carbon intensity and total emission control targets, the Group continued to integrate biomethane into its pipeline network, thereby increasing the proportion of green gas. The Group currently operates eight such projects across provincial regions on the Chinese mainland, including Jiangsu, Zhejiang, Shandong and Sichuan. In the first half of 2026, newly integrated gas volume reached 10 million cubic metres, bringing the cumulative volume to 27.5 million cubic metres. The Dafeng biomethane project in Yancheng City, Jiangsu Province, which was integrated during the period, became the Group's first project to be listed on the National Voluntary Greenhouse Gas Emission Reduction Trading Market, establishing a dual mechanism for green gas grid injection and carbon revenue monetisation. The project utilises agricultural waste from nearby dairy farms to produce natural gas and integrates it into the regional gas pipeline network, thereby achieving a closed-loop resource cycle.

Renewable Energy Business

The national 15th Five-Year Plan emphasises the development of a clean, low-carbon, secure and efficient new energy system, and aims to establish around 100 national-level zero-carbon industrial parks during the Plan period. These initiatives are closely aligned with the Group's business strengths. As market-based reforms continue to advance in the Chinese mainland's electricity sector, improving market mechanisms and the business environment, the Group expects that the industry will enter a new phase of higher-quality development following a period of adjustment. Photovoltaic asset management and market-based electricity sales will remain the primary drivers of the Group's future earnings growth.

As at 30th June 2026, the Group had established 128 zero-carbon smart industrial parks across 24 provincial regions on the Chinese mainland. New grid-connected distributed photovoltaic capacity for industrial and commercial customers reached 0.2 GW, bringing cumulative installed capacity to 3 GW. Photovoltaic electricity sales volume increased by 12% year-on-year to 1.32 billion kWh.

During the first half of the year, the Group increased its Assets under Management ("AuM") by 0.66 GW year-on-year to 1.5 GW. At the same time, the electricity sales business expanded rapidly by capitalising on synergies with the gas division, achieving sales of 7.23 billion kWh during the period, doubling year-on-year, and steadily strengthening its market position. Cumulative grid-connected industrial and commercial energy storage capacity reached 850 MWh. The Group is now well-positioned across three key growth areas: integrated photovoltaic-storage, standalone energy storage and direct green power supply, with its asset-light operations steadily expanding.

The Group continued to offer opportunities to project-level strategic investors to diversify their investment risks and reduce capital expenditure. These included the launch by the Group of the "New Energy Infrastructure Carbon Neutral Green Held-for-Investment Real Estate Asset-Backed Plan" ("institutional REIT") and "Zero-Carbon Smart Phase 4" asset-backed securities programme ("quasi-REIT"), raising approximately RMB900 million in financing. Cumulative financing reached RMB5.5 billion, thereby broadening its financing channels and enhancing operating cash flow while increasing investment for the development of new projects.

The Group continued to drive business transformation through innovation. To support customers' low-carbon transition, the Group introduced a new business model, the Energy as a Service ("EaaS") framework, with integrated decarbonisation solutions encompassing "photovoltaics + energy storage + electricity sales". The Group also increased investment in new technology by upgrading its smart energy management platform. Using artificial intelligence ("AI") to optimise power trading algorithms, the platform improves the operation of new energy assets and iterative trading strategies for enhanced investment returns.

Environmental, Social and Governance ("ESG")

The Group's MSCI ESG rating was upgraded to AA, reflecting international recognition of its commitment to ESG management. During the period, the Group continued to strengthen ESG governance, promote low-carbon innovation and enhance community engagement through several key initiatives:

1. Appointing Dr. Christine Loh Kung-wai, an Independent Non-executive Director, as Chairperson of the Environmental, Social and Governance Committee, and establishing a regular ESG training mechanism for the directors to further strengthen the Board's leadership and oversight of sustainability matters;

2. Launching an institutional REIT, with proceeds earmarked for investing in and constructing photovoltaic and energy storage projects, thereby promoting the integration of green finance with the new energy sector;

3. Co-launching the Cooling for Good Summer • Towngas Gentle Breeze Movement with a Hong Kong startup, i2Cool, by applying electricity-free cooling technology at Beima Primary School in Longkou, Shandong Province. This technology, which improved the campus environment through the installation of passive cooling roofs, won the Gold Award at its parent company, HKCG's 2nd TERA-Award Smart Energy Innovation Competition.

Business Outlook for 2026

The global geopolitical landscape remains volatile with recurring conflicts, which, together with a higher interest rate environment, weighs on the momentum of the global economic recovery. Against this background, digital transformation centred on AI and the green, low-carbon transition to combat climate change have been emerging as the two principal themes driving future economic development. Accordingly, the Group will build upon its solid public utilities foundation to develop and promote new growth engines while recognising that broader market challenges also create significant opportunities.

The Group will continue to build on its core "Gas+" strategy, using the national 15th Five-Year Plan and green energy policies to help it meet the comprehensive energy needs of its existing customer base.

In renewable energy, following the phased implementation of the midday valley pricing policy from the first half of 2025, downward pressure on electricity tariffs is expected to ease significantly in the second half of 2026, supporting a gradual improvement in per-kWh profitability across the industry. The Group will continue to accelerate the deployment of solar photovoltaic projects, with the aim of adding 0.8 GW of new grid-connected capacity in the second half of the year, helping to reverse the decline in power generation revenue.

The Group is committed to increasing collaboration across divisions, strengthening the integration of AI technology into its core businesses, including gas and electricity sales, and enhancing its integrated gas-and-power system. In addition, the Group will further optimise its cash flow management to support business expansion and mitigate risks, striving to deliver sustainable profit growth and reward shareholders for their long-standing trust and support.

Financial Review

Revenue

For the first half of 2026, the Group actively advanced the implementation of an upstream and downstream natural gas price linkage mechanism, with cost pass-throughs confirmed for over 90% of residential customers and all industrial and commercial customers having completed the cost pass-throughs. However, the ongoing downturn in the mainland property market led to a decrease in the number of new household gas connections, resulting in a decrease in gas connection sales. The Group's revenue for the period amounted to HK$11,328 million, representing an increase of 9% over the corresponding period last year.

	Six months ended 30th June	
	2026	2025
	HK$ million	HK$ million
Sales of piped gas	**9,823**	8,860
Gas connection	**574**	624
Gas-related products and services	**166**	190
Gas business	**10,563**	9,674
Renewable energy business	**765**	763
Total	**11,328**	10,437

Total Operating Expenses

Total operating expenses of the Group included gas fuel, stores and materials used, staff costs, depreciation and amortisation, and other expenses. Total operating expenses in the first half of 2026 amounted to HK$10,568 million, representing an increase of 10% compared to the corresponding period last year. The main reasons for the increase are rising costs of gas fuel, stores and materials used.

	Six months ended 30th June	
	2026	2025
	HK$ million	HK$ million
Gas fuel, stores and materials used	**8,887**	7,952
Staff costs	**675**	675
Depreciation and amortisation	**676**	627
Other expenses	**330**	372
Total	**10,568**	9,626

Other Gains, Net

Net other gains decreased by 50% from HK$148 million in the corresponding period last year to HK$74 million. This was mainly attributable to the Group's restructuring of its extended business in the prior year, with the entire restructuring being fully completed during 2025.

Share of Results of Associates

The share of profits of associates increased by 28% from HK$212 million in the corresponding period last year to HK$271 million. This was mainly driven by associates actively promoting cost pass-throughs resulting in a steady improvement in the city-gas dollar margin. Renewable energy business proactively introduced strategic investors and partners, as well as the disposal of certain subsidiaries' interests to promote the expansion of asset-light services in the renewable energy business. Upon completion of the disposals, these companies are no longer subsidiaries of the Group, but since the Group still retains partial equity interests, they are recognised as associates or joint ventures.

Share of Results of Joint Ventures

The share of profits of joint ventures increased by 21% from HK$166 million in the corresponding period last year to HK$201 million. This was mainly driven by certain joint ventures actively promoting cost pass-throughs, resulting in a steady improvement in the city-gas dollar margin. In parallel, renewable energy business had proactively introduced strategic investors and partners, and through the disposal of certain subsidiaries' interests, drove the development of its renewable energy business towards an asset-light service model. Upon completion of the transactions, the relevant companies ceased to be subsidiaries of the Group. As the Group continues to hold partial equity interests, these companies are accounted for as associates or joint ventures of the Group.

Finance Costs

The finance costs of the Group decreased by 4% from HK$331 million in the corresponding period last year to HK$317 million. Stringent control of capital expenditure and successful securing of lower-interest loans have reduced the finance costs.

Profit for the Period

During the first half of 2026, profit attributable to shareholders of the Company amounted to HK$690 million, representing a decrease of approximately 9% compared to the corresponding period last year. Basic earnings per share amounted to HK18.8 cents, representing a decrease of 14% compared to the corresponding period last year.

Financial Resources Review

The Group has adopted a prudent approach in financial resources management, maintaining an appropriate level of cash and cash equivalents as well as adequate financing facilities to meet the requirements of day-to-day operations and business development, while also maintaining borrowings at a healthy level.

As at 30th June 2026, the Group's total borrowings (included convertible bonds) amounted to HK$18,220 million (31st December 2025: HK$17,161 million), of which HK$8,126 million (31st December 2025: HK$6,416 million) represented borrowings due within 1 year, HK$9,897 million (31st December 2025: HK$10,534 million) represented borrowings due between 1 to 5 years, and HK$197 million (31st December 2025: HK$211 million) represented borrowings due over 5 years. HK$13,659 million (31st December 2025: HK$13,173 million) of the Group's total borrowings bore interests at fixed rates, while the Group's other borrowings were arranged on a floating interest rate basis. The maturities and interest rates of the borrowings were arranged to provide sound financial resources and stable interest costs for the Group. The businesses of the Group mainly occurred on the Chinese mainland and most transactions, assets and liabilities were stated in RMB. As a result, the Group bore currency risk from fluctuations of RMB exchange rate for non-RMB denominated deposits and borrowings. The Group's total borrowings denominated in RMB amounted to HK$16,640 million (31st December 2025: HK$15,592 million) and the remaining HK$1,580 million borrowings were denominated mainly in United States dollars ("USD") (31st December 2025: HK$1,569 million denominated mainly in USD) as at 30th June 2026. Cross-currency swap contracts were entered into hedge foreign currency risk for most of the non-RMB denominated borrowings so as to reduce risk arising from fluctuations of RMB. Apart from the total borrowings as mentioned above, the Group also has RMB loans amounted to approximately HK$56.78 million (31st December 2025: HK$17.53 million), approximately HK$9.28 million (31st December 2025: Nil), approximately HK$6.73 million (31st December 2025: HK$0.86 million) and approximately HK$15.95 million (31st December 2025: HK$15.37 million) from HKCG, associates, joint ventures, and non-controlling shareholders on a fixed interest rate basis, respectively.

In order to expand funding channels, enhance the flexibility and ability of financing and strengthen its financial position, the Group issued its fourth quasi-REIT product and first institutional REIT on the Chinese mainland in the first half of 2026, raising approximately RMB900 million in financing, with cumulative financing reached RMB5.5 billion.

As at 30th June 2026, the Group's cash and cash equivalents together with time deposits and restricted deposits amounted to HK$3,411 million (31st December 2025: HK$2,562 million), of which 99% (31st December 2025: 99%) are RMB-denominated and the rest are denominated in HK$ and USD. The gearing ratio (net debt to total equity plus net debt) of the Group as at 30th June 2026 was 34% (31st December 2025: 34%).

As at 30th June 2026, the unissued portion of the Group's Medium Term Note Programme ("MTN Programme") amounted to approximately HK$12,962 million and unutilised facilities from banks and HKCG amounted to approximately HK$12,214 million.

The operating and capital expenditure of the Group is funded by cash flows from operations, internal liquidity, financing arrangements with banks, the MTN Programme, convertible bonds and equity funding. The Group maintains a strong liquidity position with its cash and cash equivalents on hand, unutilised credit facilities and MTN Programme. We have adequate financial resources to meet our contractual obligations and operating requirements. Benefiting from our good credit ratings, the Group enjoys favourable interest rates on bank loans and notes.

Credit Ratings

Moody's Investors Service maintained the issuer rating of Towngas Smart Energy at "Baa1" with a "stable" outlook rating. Standard & Poor's also affirmed the long-term corporate credit rating of Towngas Smart Energy at "BBB+" and its rating outlook as "stable". In addition, China Chengxin International also maintained the credit rating of Towngas Smart Energy at "AAA" and its rating outlook as "stable". These ratings reflect the credit rating agencies' recognition of the Group's stable business and sound credit profile.

Contingent Liabilities

The Group had no material contingent liabilities as at 30th June 2026.

Other Information

Interim Dividend

The board of directors (the "Board") has declared the payment of an interim dividend of HK5 cents per share from the share premium account of Towngas Smart Energy Company Limited (the "Company") payable to shareholders whose names are on the register of members of the Company on 4th September 2026.

The interim dividend will be payable in cash, with an option granted to shareholders to receive new and fully paid shares in lieu of cash in whole or in part of the interim dividend under the scrip dividend scheme (the "Scrip Dividend Scheme"). The new shares will, on issue, rank pari passu in all respects with the existing shares in issue on the date of the allotment and issue of the new shares except that they shall not be entitled to the interim dividend. The circular containing details of the Scrip Dividend Scheme and the relevant election form is expected to be sent to shareholders on or about 14th September 2026.

The Scrip Dividend Scheme is conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of, and permission to deal in, the new shares to be issued under the Scrip Dividend Scheme. It is expected that the cheques for cash dividends and the share certificates to be issued under the Scrip Dividend Scheme will be sent by ordinary mail to shareholders at their own risk on or about Friday, 16th October 2026.

Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 2nd September 2026 to Friday, 4th September 2026, both days inclusive, during which period no transfer of shares will be registered. **In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 1st September 2026.**

Directors' Interests or Short Positions in Shares, Underlying Shares and Debentures

As at 30th June 2026, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required pursuant to: (a) Divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) Section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares (unless otherwise specified) and underlying shares

			Interest in shares			Number of underlying shares		
Name of company	Name of director	Capacity	Personal interest	Family interest	Other interest	pursuant to share options	Aggregate interests	%*
Towngas Smart Energy Company Limited	Lee Ka-kit	Other *(Notes 2, 3 & 5)*	–	–	2,650,872,238 *(Notes 2, 3 & 5)*	–	2,650,872,238	72.20
	Peter Wong Wai-yee	Beneficial owner	11,729,000 *(Note 4)*	–	–	1,800,000 *(Note 1)*	13,529,000	0.37
	John Qiu Jian-hang	Beneficial owner	4,348,868	–	–	1,500,000 *(Note 1)*	5,848,868	0.16
	Zhou Heng-xiang	Beneficial owner/ Interest of spouse	287,862	25,551	–	–	313,413	0.01
The Hong Kong and China Gas Company Limited ("HKCG")	Lee Ka-kit	Other *(Notes 2 & 5)*	–	–	7,748,692,715 *(Notes 2 & 5)*	–	7,748,692,715	41.53
	Zhou Heng-xiang	Interest of spouse	–	10,000	–	–	10,000	0.00
Towngas Lifestyle Holding Company Limited	Peter Wong Wai-yee	Beneficial owner	–	–	–	1,700 *(Note 6)*	1,700	0.17
	Zhou Heng-xiang	Beneficial owner	–	–	–	350 *(Note 6)*	350	0.04
Momentum Growth Partners, LP	Zhou Heng-xiang	Beneficial owner	2,000,000 *(Note 7)*	–	–	–	2,000,000	11.76

* *The percentage which the aggregate long position in the shares (unless otherwise specified) or underlying shares to the number of issued shares (unless otherwise specified) of the Company or any of its associated corporations.*

Notes:

1. These underlying shares (being regarded for the time being as unlisted physically settled equity derivatives) represent share options granted by the Company under its existing share option scheme. Details of the share options are set out in the section headed “Share Option Scheme” below.

2. By virtue of SFO, Rimmer (Cayman) Limited (“Rimmer”), Riddick (Cayman) Limited (“Riddick”) and Hopkins (Cayman) Limited (“Hopkins”) are respectively interested in 2,650,872,238 shares of the Company, which are duplicated in the interests described in Notes 3 and 5. Hopkins owned all the issued ordinary shares which carry the voting rights in the share capital of Henderson Development Limited (“Henderson Development”) as trustee of a unit trust (“Unit Trust”). Rimmer and Riddick, as the relevant trustees of the respective discretionary trusts, held units in the Unit Trust, but each is not entitled to any interest in its trust assets which are, in the ordinary course of business, held by Hopkins as trustee of the Unit Trust independently without any reference to shareholders of Hopkins. Dr. the Hon. Lee Ka-kit remains to be one of the discretionary beneficiaries of such discretionary trusts. Also, 50% of shares in each of Rimmer, Riddick and Hopkins were directly or indirectly owned by Dr. the Hon. Lee Ka-kit. Dr. the Hon. Lee Ka-kit was therefore taken to be interested in these shares by virtue of Part XV of the SFO.

3. On 30th June 2026, HKCG’s subsidiaries submitted election forms to the Company, electing to receive new shares in lieu of cash dividend pursuant to the Company’s scrip dividend scheme. Dr. the Hon. Lee Ka-kit was taken to be interested in approximately 41.53% of the total number of issued shares in HKCG and 2,650,872,238 shares of the Company representing approximately 72.20% of the total number of issued shares of the Company as at 30th June 2026 as set out in Note 2. Subsequent to the allotment and issue of 108,325,192 new shares by the Company to HKCG’s subsidiaries pursuant to the scrip dividend scheme on 14th July 2026, the approximate percentage figure of the number of issued shares of the Company as at the date of this report as held by HKCG’s subsidiaries was 70.11%.

4. Upon Mr. Peter Wong Wai-yee’s submission of an election form to the Company electing to receive new shares in lieu of cash dividend pursuant to the Company’s scrip dividend scheme on 30th June 2026 and the subsequent allotment and issue of 342,000 new shares to Mr. Peter Wong Wai-yee by the Company on 14th July 2026, Mr. Peter Wong Wai-yee had personal interest of 13,529,000 shares and underlying shares of the Company, representing approximately 0.36% of the number of issued shares of the Company as at the date of this report.

5. Rimmer and Riddick, as the relevant trustees of the respective discretionary trusts, held units in the Unit Trust. Hopkins as trustee of the Unit Trust owned all the issued ordinary shares of Henderson Development. Henderson Development was entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of Henderson Land Development Company Limited (“Henderson Land Development”). Henderson Land Development through its subsidiaries was entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of HKCG. Dr. the Hon. Lee Ka-kit as one of the discretionary beneficiaries of the 2 discretionary trusts, was taken to have duties of disclosure in relation to these 7,748,692,715 shares by virtue of Part XV of the SFO.

6. These underlying shares (being regarded for the time being as unlisted physically settled equity derivatives) represent share options granted by Towngas Lifestyle Holding Company Limited (an associated corporation of the Company) under its existing share option scheme on 11th November 2025 with an exercise price of HK$1,932.09 per share option. The beginning period for the exercise of share options is not yet determined as of 30th June 2026 and shall be exercisable up to 10th November 2035.

7. Momentum Growth Partners, LP, being an associated corporation of the Company, is an exempted limited partnership. These interests refer to Mr. Zhou Heng-xiang’s capital contribution (in Hong Kong dollars) to the partnership as limited partner.

Save as stated above, as at 30th June 2026, there were no other interests or short positions of the Directors and the chief executive in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Option Scheme

The Company has adopted a share option scheme (the "Share Option Scheme") pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 26th May 2022 (the "SOS Adoption Date") and the Share Option Scheme was also approved by ordinary resolution of the shareholders of HKCG, the parent company of the Company, at HKCG's annual general meeting on 6th June 2022. The eligible participants include any (i) director, chief executive or employee (whether full-time or part-time) of each member of the Group; and (ii) consultant and other adviser to each member of the Group who is also a director and/or senior management staff of subsidiary(ies) of HKCG. The Share Option Scheme is valid and effective for a period of 10 years commencing on the SOS Adoption Date.

For further details of the Share Option Scheme including a summary of the principal terms of the Share Option Scheme, please refer to the Company's circular dated 14th April 2022 and the Company's 2025 Annual Report.

Details and movements of share options that were granted under the Share Option Scheme or remained outstanding during the period ended 30th June 2026 are as follows:

Grantees	Date of grant	Closing price of the shares immediately before the date of grant (HK$)	Exercise period	Vesting date#	Exercise price (HK$)	Number of shares options				
						Outstanding as at 01.01.2026	Granted during the period	Cancelled/ lapsed during the period	Exercised during the period	Outstanding as at 30.06.2026
Category 1: Directors										
Peter Wong Wai-yee	18.03.2025	3.54	18.03-2026 – 17.03.2028	18.03.2026	3.57	1,800,000	–	–	–	1,800,000
John Qiu Jian-hang	18.03.2025	3.54	18.03-2026 – 17.03.2028	18.03.2026	3.57	1,500,000	–	–	–	1,500,000
Category 2: Others										
(i) directors or senior management staff of the subsidiaries of the Company; and (ii) directors of both subsidiaries of the Company and of HKCG	18.03.2025	3.54	18.03-2026 – 17.03.2028	18.03.2026	3.57	8,300,000	–	–	–	8,300,000
Total						**11,600,000**	**-**	**-**	**-**	**11,600,000**

\# The vesting period of the share options fell on the first anniversary of the date of grant, i.e. 18th March 2026.

Save as disclosed above, no share options were granted, vested, exercised, lapsed and/or cancelled, and no share options granted were in excess of the 1% individual limit under the Share Option Scheme during the six months ended 30th June 2026.

The number of share options available for grant under the Share Option Scheme as at 1st January 2026 and 30th June 2026 were both 294,401,534. No service provider sublimit was set under the Share Option Scheme.

Share Option Scheme *(Continued)*

The number of shares that may be issued in respect of options granted under the Share Option Scheme during the six months ended 30th June 2026 was 11,600,000, representing approximately 0.32% of the weighted average number of shares of the Company in issue for the period.

Further details on the accounting standard and policy adopted for the Share Option Scheme and the weighted average closing price of the shares immediately before the date(s) on which the share options were granted are set out in Note 18 to the condensed consolidated financial statements.

Share Award Scheme

The Company adopted a share award scheme (the "Share Award Scheme") on 17th August 2021 (the "Adoption Date") for the purposes of (a) recognising the contributions by certain directors or employees of the Group and providing them with incentives in order to retain them for the continual operation and development of the Group; and (b) attracting suitable personnel for the further development of the Group and to contribute to the long-term growth of the Group. The Share Award Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date. Further details of the Share Award Scheme have been disclosed in the Company's announcement dated 17th August 2021.

Tricor Trust (Hong Kong) Limited was appointed as a trustee of the Share Award Scheme. Subject to the terms and conditions of the Share Award Scheme and the fulfilment of all vesting conditions, the award shares held by the trustee on behalf of a selected participant shall vest in such selected participant and the trustee shall transfer the award shares to such selected participant. At 30th June 2026, the trustee holds 31,000 shares and such shares are available for future grant.

During the six months ended 30th June 2026, no award shares were granted, vested, lapsed and/or forfeited under the Share Award Scheme, and no award shares granted were in excess of the 0.1% of the total number of issued shares.

Save as disclosed above, no award shares were lapsed and/or forfeited and no award shares granted were in excess of the 1% individual limit during the six months ended 30th June 2026.

Arrangements to Purchase Shares or Debentures

Saved as the interests disclosed in the "Directors' Interests or Short Positions in Shares, Underlying Shares and Debentures", "Share Option Scheme" and "Share Award Scheme", at no time during the period was the Company, its holding company, fellow subsidiaries or any of its subsidiaries a party to any arrangements to enable the Directors (including their spouses and children under the age of 18) to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders

As at 30th June 2026, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued shares of the Company (the "Shares"):

Long Positions in Shares

Name of shareholder	Capacity	No. of Shares in which interested	%*
Lee Ka-kit	Other *(Note 1)*	2,650,872,238 *(Notes 1 & 2)*	72.20 *(Note 4)*
Lee Ka-shing	Other *(Note 1)*	2,650,872,238 *(Notes 1 & 2)*	72.20 *(Note 4)*
Rimmer	Trustee	2,650,872,238 *(Notes 1 & 2)*	72.20 *(Note 4)*
Riddick	Trustee	2,650,872,238 *(Notes 1 & 2)*	72.20 *(Note 4)*
Hopkins	Interest of controlled corporations	2,650,872,238 *(Notes 1 & 2)*	72.20 *(Note 4)*
Henderson Development	Interest of controlled corporations	2,650,872,238 *(Notes 1 & 2)*	72.20 *(Note 4)*
Henderson Land Development	Interest of controlled corporations	2,650,872,238 *(Notes 1 & 2)*	72.20 *(Note 4)*
Faxson Investment Limited ("Faxson")	Interest of controlled corporations	2,650,872,238 *(Notes 1 & 2)*	72.20 *(Note 4)*
HKCG	Interest of controlled corporations	2,650,872,238 *(Notes 2 & 3)*	72.20 *(Note 4)*

Substantial Shareholders *(Continued)*

Name of shareholder	Capacity	No. of Shares in which interested	%*
Towngas International Company Limited ("TICL")	Interest of controlled corporation	2,422,525,227 *(Notes 2 & 3)*	65.98 *(Note 4)*
Hong Kong & China Gas (China) Limited ("HK&CG (China)")	Beneficial owner	2,422,525,227 *(Notes 2 & 3)*	65.98 *(Note 4)*
Towngas Investment Company Limited ("TICL-HK")	Interest of controlled corporations	228,347,011 *(Notes 2 & 3)*	6.22 *(Note 4)*
Planwise Properties Limited ("Planwise")	Beneficial owner	224,526,492 *(Notes 2 & 3)*	6.12 *(Note 4)*
Tang Kok Yew	Interest of controlled corporations	471,050,984 *(Note 5)*	12.83
Capstar Holdings ("Capstar")	Interest of controlled corporations	471,050,984 *(Note 5)*	12.83
Affinity Fund V General Partner Limited ("Affinity Fund V")	Interest of controlled corporations	471,050,984 *(Note 5)*	12.83
Converging Worldview Investments Pte. Ltd. ("Converging Worldview")	Interest of controlled corporations	471,050,984 *(Note 5)*	12.83
Clean Energy Ecosystem Pte. Ltd. ("Clean Energy Ecosystem")	Beneficial owner	471,050,984 *(Note 5)*	12.83
Central Huijin Investment Ltd. ("Central Huijin")	Interest of controlled corporations	350,350,000 *(Note 6)*	9.54
Industrial and Commercial Bank of China Limited ("ICBC")	Interest of controlled corporations	350,350,000 *(Note 6)*	9.54

Substantial Shareholders *(Continued)*

Name of shareholder	Capacity	No. of Shares in which interested	%*
ICBC International Holdings Limited ("ICBC International")	Interest of controlled corporations	350,350,000 *(Note 6)*	9.54
ICBC International Investment Management Limited ("ICBC International Management")	Interest of controlled corporations	350,350,000 *(Note 6)*	9.54
Victory Ride Holdings Limited ("Victory Ride")	Interests held jointly with another person	350,350,000 *(Note 6)*	9.54
Hongkang Life Insurance Co, Ltd. (弘康人壽保險股份有限公司)	Beneficial owner	292,545,000 *(Note 7)*	7.97

* *The percentage which the aggregate long position in the Shares to the number of issued Shares of the Company.*

Notes:

1. By virtue of the SFO, Rimmer, Riddick and Hopkins are respectively interested in 2,650,872,238 Shares, which are duplicated in the interests described in Notes 2 and 3. Hopkins owned all the issued ordinary shares which carry the voting rights in the share capital of Henderson Development as trustee of a Unit Trust. Rimmer and Riddick, as the relevant trustees of the respective discretionary trusts, held units in the Unit Trust, but each is not entitled to any interest in its trust assets which are, in the ordinary course of business, held by Hopkins as trustee of the Unit Trust independently without any reference to shareholders of Hopkins. Each of Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing remains to be one of the discretionary beneficiaries of such discretionary trusts. Also, 50% of shares in each of Rimmer, Riddick and Hopkins were directly or indirectly owned by each of Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing. Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing were therefore taken to be interested in these shares by virtue of Part XV of the SFO.

2. Rimmer and Riddick as trustees of respective discretionary trusts, held units in a Unit Trust. Hopkins as trustee of the Unit Trust owned all the issued ordinary shares of Henderson Development. Henderson Development was entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of Henderson Land Development. Henderson Land Development through its subsidiaries (including Faxson) was entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of HKCG. Each of Rimmer, Riddick, Hopkins, Henderson Development, Henderson Land Development and Faxson was therefore taken to be interested in the same 2,650,872,238 Shares which HKCG is deemed interested in as described in Note 3 below by virtue of Part XV of the SFO.

3. As HK&CG (China) was a wholly-owned subsidiary of TICL, which in turn was a wholly-owned subsidiary of HKCG, each of TICL and HKCG was therefore taken to be interested in the 2,422,525,227 Shares held by HK&CG (China) by virtue of Part XV of the SFO. In addition, as Planwise and Superfun Enterprises Limited ("Superfun") were wholly-owned subsidiaries of TICL-HK, which in turn was a wholly-owned subsidiary of HKCG, each of TICL-HK and HKCG was therefore taken to be interested in 228,347,011 Shares, which included (a) the 224,526,492 Shares held by Planwise; and (b) the 3,820,519 Shares held by Superfun by virtue of Part XV of the SFO.

Substantial Shareholders *(Continued)*

Notes: (Continued)

4. Subsequent to the allotment and issue of a total 108,325,192 new Shares to HK&CG (China), Planwise and Superfun by the Company on 14th July 2026, the approximate percentage figures of interest of (i) HKCG, (ii) TICL and HK&CG (China), (iii) TICL-HK and (iv) Planwise in the Shares were therefore adjusted to (i) 70.11%, (ii) 64.07%, (iii) 6.04% and (iv) 5.94%, respectively, as at 14th July 2026.

5. Mr. Tang Kok Yew ("Mr. Tang") was taken to be interested in the Shares which were held by Clean Energy Ecosystem through his controlled corporations Capstar, Affinity Fund V and Converging Worldview, including (i) 116,783,333 Shares (representing approximately 3.18% of the number of issued Shares as at 30th June 2026); and (ii) unlisted convertible bonds of the Company ("Unlisted Convertible Bonds"), which may be fully converted into 374,614,104 Shares based on the conversion price (subject to adjustment events) of HK$5.92 per convertible Share (as adjusted after the allotment and issue of scrip shares pursuant to the scrip dividend schemes of the Company on 12th July 2022, 11th July 2023, 12th July 2024, 14th July 2025 and 17th October 2025), pursuant to the Subscription Agreement dated 25th October 2021. Subsequent to the reporting period, on the maturity date of 7th July 2026, the Company redeemed the Unlisted Convertible Bonds in full and all the Unlisted Convertible Bonds have been cancelled after the redemption. Accordingly, Mr. Tang and his controlled corporations ceased to be interested in these Unlisted Convertible Bonds after the redemption.

6. Central Huijin was taken to have acquired a security interest in these Unlisted Convertible Bonds, which might be fully converted into 350,350,000 Shares through its controlled corporations, ICBC, ICBC International, ICBC International Management and Victory Ride. Victory Ride held these security interests of Unlisted Convertible Bonds jointly with another person. The interests were disclosed according to the disclosure of interest filing made by each of Victory Ride, Central Huijin, ICBC, ICBC International and ICBC International Management on 17th August 2022. As the Unlisted Convertible Bonds were redeemed on 7th July 2026, Central Huijin and its controlled corporations ceased to have security interests in the Unlisted Convertible Bonds after the redemption.

7. The interest was disclosed according to the disclosure of interest filing on 30th December 2025.

Save for the shareholders as disclosed herein, the Directors are not aware of any persons who, as at 30th June 2026, were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and were also, as a practicable matter, able to direct or influence the management of the Company.

Short positions in Shares and Underlying Shares

As at 30th June 2026, the Company had not been notified of any short positions being held by any substantial shareholder in the Shares or underlying Shares.

Other Persons

Save as disclosed above, as at 30th June 2026, the Company had not been notified of any other person who had interest or short position in the Shares or underlying Shares, which are required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Equity-linked Agreements

Issue of New Shares and Convertible Bonds under General Mandate

On 18th November 2021, the Company issued (a) 116,783,333 subscription shares at the aggregate subscription price of HK$583,916,665 (equivalent to HK$5.00 per subscription share) (the "Share Issue"); and (b) the 1% unsecured convertible bonds due 2026 in the principal amount of RMB1,835,603,119.35 (the "Convertible Bonds") (equivalent to HK$2,217,715,500 at the exchange rate agreed with Clean Energy Ecosystem Pte. Ltd. (the "Investor")) (the "Convertible Bonds Issue") to the Investor pursuant to the subscription agreement dated 25th October 2021 entered into between the Company and the Investor. Based on the adjusted conversion price of HK$5.92 per Conversion Share subsequent to the adjustment events on 12th July 2022, 11th July 2023, 12th July 2024, 14th July 2025 and 17th October 2025, a maximum number of 374,614,104 Conversion Shares may be allotted and issued by the Company upon full conversion of the Convertible Bonds. No application has been or will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

As at 30th June 2026, none of the Convertible Bonds were converted. Subsequent to the reporting period, on the maturity date of 7th July 2026, the Company redeemed the Convertible Bonds in full and all the Convertible Bonds have been cancelled after the redemption and the Company does not have any outstanding Convertible Bonds.

For further details, please refer to the Company's announcements dated 25th October 2021, 18th November 2021, 12th July 2022, 11th July 2023, 12th July 2024, 14th July 2025, 17th October 2025, 8th May 2026 and 7th July 2026.

The aggregate gross proceeds from the Share Issue and the Convertible Bonds Issue were approximately HK$2,802,000,000 and the aggregate net proceeds were approximately HK$2,800,000,000. The net proceeds raised from the Share Issue and the Convertible Bonds Issue have been fully utilised by the Company for business expansion – including investment in smart energy business in years 2021 and 2022. There were no remaining unutilized net proceeds as at 30th June 2026 and 7th July 2026 (the redemption date of the Convertible Bonds).

Other than the Convertible Bonds Issue as mentioned above, no equity-linked agreements were entered into by the Group, or existed during the six months ended 30th June 2026.

Corporate Governance

The Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the six months ended 30th June 2026.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. All Directors confirmed, following specific enquiries by the Company, that they had complied with the required standards set out in the Model Code throughout the six months ended 30th June 2026.

Board Audit and Risk Committee

The Company has established a board audit and risk committee (the "Board Audit and Risk Committee") in accordance with requirements under the Listing Rules for the purposes of reviewing and supervising the Group's financial reporting processes, risk management and internal control systems.

A meeting of the Board Audit and Risk Committee was held on 6th August 2026 to review the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June 2026. Deloitte Touche Tohmatsu, the Group's external auditor, had carried out a review of the unaudited condensed consolidated financial statements for the six months ended 30th June 2026 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Purchases, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the six months ended 30th June 2026.

Employee and Remuneration Policies

As at 30th June 2026, the Group had 21,266 employees (as at 30th June 2025: 23,556). Employee remuneration is based on individual performance, job nature and the relevant responsibilities involved. The Group provides on-the-job training as well as optimal benefits packages for employees, which include medical welfare, retirement plans, year-end bonuses and other incentives. The Group encourages employees to adopt a work-life balance, whilst improving the work environment for employees on a continuing basis so that they can realise their full potential and contribute to the Group.

Changes in the Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors of the Company required to be disclosed are shown as follows:

1) **Mr. Brian David Li Man-bun** BBS, JP, FCA, MBA, MA (Cantab)
Independent Non-executive Director

Mr. Brian David Li Man-bun retired as an Independent Non-executive Director of China Overseas Land & Investment Limited with effect from 25th June 2026.

2) **Dr. Christine Loh Kung-wai** SBS, OBE, JP, Chevalier de l'Ordre National du Mérite
Independent Non-executive Director

Dr. Christine Loh Kung-wai retired as a director of New Forests Proprietary Limited with effect from 30th June 2026.

3) **Mr. Kenneth Liu Kai-lap** BSc
*Non-executive Director**

Mr. Kenneth Liu Kai-lap resigned as a partner of Affinity Equity Partners and director of its various investee companies with effect from 10th July 2026. He is currently a director of Escend Capital Management Limited.

4) With effect from 1st July 2026, the monthly basic salary payable to Mr. Peter Wong Wai-yee as Executive Director and Chief Executive Officer, Dr. John Qiu Jian-hang as Executive Director and Chief Operating Officer – Renewable Business and Mr. Zhou Heng-xiang as Executive Director and Chief Operating Officer – Mainland Gas Business of the Company, respectively, has increased by approximately 3% which was an adjustment to basic salaries made by the Company in July 2026, in addition to their entitlement of performance and discretionary bonus, share-based payments and other benefits to be determined by the Remuneration Committee and the Board after the end of the year.

By Order of the Board
Peter Wong Wai-yee
Executive Director and Chief Executive Officer

Hong Kong, 17th August 2026

* *Re-designated as an Independent Non-executive Director with effect from 9th September 2026.*

Report on Review of Condensed Consolidated Financial Statements

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF TOWNGAS SMART ENERGY COMPANY LIMITED
港華智慧能源有限公司
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Towngas Smart Energy Company Limited (the "Company") and its subsidiaries set out on pages 24 to 56, which comprise the condensed consolidated statement of financial position as of 30th June 2026 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
17th August 2026

Condensed Consolidated Income Statement

For the six months ended 30th June 2026

	NOTES	Six months ended 30th June 2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Revenue	3	11,327,866	10,436,971
Total operating expenses	4	(10,567,963)	(9,626,493)
		759,903	810,478
Other income		67,025	99,267
Other gains, net	5	73,745	148,479
Share of results of associates		270,506	211,784
Share of results of joint ventures		201,485	166,343
Finance costs	6	(316,993)	(331,135)
Profit before taxation	7	1,055,671	1,105,216
Taxation	8	(278,063)	(266,894)
Profit for the period		777,608	838,322
Profit for the period attributable to:			
Shareholders of the Company		690,141	758,391
Non-controlling interests		87,467	79,931
		777,608	838,322
		HK cents	HK cents
Earnings per share	9		
– Basic		18.8	21.8
– Diluted		18.8	20.8

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th June 2026

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit for the period	**777,608**	838,322
Other comprehensive income (expense) for the period		
Items that will not be reclassified subsequently to profit or loss		
Exchange differences on translation from functional currency to presentation currency	**908,566**	739,221
Fair value change on investments in equity instruments at fair value through other comprehensive income	**(177,351)**	(64,251)
Income tax relating to items that will not be reclassified to profit or loss	**44,338**	16,062
Items that may be reclassified subsequently to profit or loss		
Cash flow hedge:		
Net fair value change on derivative instruments designated as cash flow hedge recorded in hedge reserve	**(36,738)**	(16,946)
Reclassification of fair value change on derivative instruments designated as cash flow hedge to profit or loss	**46,333**	29,393
	785,148	703,479
Total comprehensive income for the period	**1,562,756**	1,541,801
Total comprehensive income for the period attributable to:		
Shareholders of the Company	**1,453,243**	1,418,187
Non-controlling interests	**109,513**	123,614
Total comprehensive income for the period	**1,562,756**	1,541,801

Condensed Consolidated Statement of Financial Position

At 30th June 2026

	NOTES	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	11	30,213,674	29,377,576
Right-of-use assets	11	893,672	897,748
Intangible assets		358,118	353,725
Goodwill	12	5,026,816	4,843,763
Interests in associates		6,654,544	6,420,499
Interests in joint ventures		4,517,691	4,213,638
Equity instruments at fair value through other comprehensive income		1,173,668	1,303,970
Other financial assets		52,800	89,352
Restricted deposits		5,778	63,474
		48,896,761	47,563,745
Current assets			
Inventories		760,443	616,246
Loans to associates		17,855	28,988
Loans to joint ventures		33,943	14,294
Trade and other receivables, deposits and prepayments	13	4,485,940	4,343,522
Amounts due from non-controlling shareholders		139,139	141,575
Time deposits over three months		25,309	37,639
Bank balances and cash		3,379,764	2,460,896
		8,842,393	7,643,160

At 30th June 2026

	NOTES	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
Current liabilities			
Trade and other payables and accrued charges	14	3,867,792	3,809,025
Dividend payable		514,032	–
Contract liabilities		3,491,971	3,631,305
Lease liabilities		6,604	24,986
Amounts due to non-controlling shareholders		48,073	44,470
Taxation payable		1,195,891	1,218,811
Borrowings – amounts due within one year	15	5,909,131	4,382,717
Loan from ultimate holding company		56,775	17,528
Loans from non-controlling shareholders		15,954	15,373
Loans from associates		9,280	–
Loans from joint ventures		6,732	862
Convertible bonds	16	2,216,885	2,033,077
		17,339,120	15,178,154
Net current liabilities		(8,496,727)	(7,534,994)
Total assets less current liabilities		40,400,034	40,028,751
Non-current liabilities			
Lease liabilities		109,660	108,755
Borrowings – amounts due after one year	15	10,094,053	10,744,870
Deferred taxation		1,062,126	1,015,240
		11,265,839	11,868,865
Net assets		29,134,195	28,159,886
Capital and reserves			
Share capital	17	367,169	367,169
Reserves		26,295,789	25,354,819
Equity attributable to shareholders of the Company		26,662,958	25,721,988
Non-controlling interests		2,471,237	2,437,898
Total equity		29,134,195	28,159,886

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June 2026

	Attributable to shareholders of the Company											
	Share capital HK$'000	Share premium HK$'000	Exchange reserve HK$'000	Hedge reserve HK$'000	General reserve HK$'000	Investment revaluation reserve HK$'000	Share-based payment reserve HK$'000	Shares held for share award scheme HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1st January 2026 (audited)	367,169	5,714,617	275,114	(51,674)	937,553	782,861	6,492	(107)	17,689,963	25,721,988	2,437,898	28,159,886
Exchange differences on translation from functional currency to presentation currency	-	-	886,520	-	-	-	-	-	-	886,520	22,046	908,566
Fair value change on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(177,351)	-	-	-	(177,351)	-	(177,351)
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	44,338	-	-	-	44,338	-	44,338
Net fair value change on derivative instruments designated as cash flow hedge recorded in hedge reserve	-	-	-	(36,738)	-	-	-	-	-	(36,738)	-	(36,738)
Reclassification of fair value change on derivative instruments designated as cash flow hedge to profit or loss	-	-	-	46,333	-	-	-	-	-	46,333	-	46,333
Profit for the period	-	-	-	-	-	-	-	-	690,141	690,141	87,467	777,608
Total comprehensive income (expense) for the period	-	-	886,520	9,595	-	(133,013)	-	-	690,141	1,453,243	109,513	1,562,756
Recognition of share-based payments upon grant of share options *(Note 18)*	-	-	-	-	-	-	1,759	-	-	1,759	-	1,759
Transfer	-	-	-	-	21,686	-	-	-	(21,686)	-	-	-
Release of exchange reserve upon disposal of subsidiaries	-	-	(10,183)	-	-	-	-	-	10,183	-	-	-
Dividends declared to shareholders of the Company *(Note 10)*	-	(514,032)	-	-	-	-	-	-	-	(514,032)	-	(514,032)
Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(76,174)	(76,174)
	-	(514,032)	(10,183)	-	21,686	-	1,759	-	(11,503)	(512,273)	(76,174)	(588,447)
At 30th June 2026 (unaudited)	367,169	5,200,585	1,151,451	(42,079)	959,239	649,848	8,251	(107)	18,368,601	26,662,958	2,471,237	29,134,195

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June 2026

	Attributable to shareholders of the Company											
	Share capital HK$'000	Share premium HK$'000	Exchange reserve HK$'000	Hedge reserve HK$'000	General reserve HK$'000	Investment revaluation reserve HK$'000	Share-based payment reserve HK$'000	Shares held for share award scheme HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1st January 2025 (audited)	348,065	5,884,913	(593,101)	(92,517)	789,277	804,320	9,379	(108)	16,297,510	23,447,738	2,310,282	25,758,020
Exchange differences on translation from functional currency to presentation currency	-	-	695,538	-	-	-	-	-	-	695,538	43,683	739,221
Fair value change on investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(64,251)	-	-	-	(64,251)	-	(64,251)
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	16,062	-	-	-	16,062	-	16,062
Net fair value change on derivative instruments designated as cash flow hedge recorded in hedge reserve	-	-	-	(16,946)	-	-	-	-	-	(16,946)	-	(16,946)
Reclassification of fair value change on derivative instruments designated as cash flow hedge to profit or loss	-	-	-	29,393	-	-	-	-	-	29,393	-	29,393
Profit for the period	-	-	-	-	-	-	-	-	758,391	758,391	79,931	838,322
Total comprehensive income (expense) for the period	-	-	695,538	12,447	-	(48,189)	-	-	758,391	1,418,187	123,614	1,541,801
Share options exercised *(Note 18)*	196	8,186	-	-	-	-	(1,725)	-	-	6,657	-	6,657
Share options lapsed *(Note 18)*	-	-	-	-	-	-	(324)	-	324	-	-	-
Recognition of share-based payments upon grant of share options *(Note 18)*	-	-	-	-	-	-	2,344	-	-	2,344	-	2,344
Purchase of shares under share award scheme	-	-	-	-	-	-	-	(40,206)	-	(40,206)	-	(40,206)
Recognition of share-based payments upon grant of shares under share award scheme *(Note 18)*	-	-	-	-	-	-	-	40,207	1,205	41,412	-	41,412
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	49,753	49,753
Transfer	-	-	-	-	49,613	-	-	-	(49,613)	-	-	-
Release of exchange reserve upon disposal of subsidiaries	-	-	13,552	-	-	-	-	-	(13,552)	-	-	-
Capital contribution from non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	9,497	9,497
Dividends declared to shareholders of the Company *(Note 10)*	-	(661,319)	-	-	-	-	-	-	-	(661,319)	-	(661,319)
Dividends paid to non-controlling shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(59,420)	(59,420)
	196	(653,133)	13,552	-	49,613	-	295	1	(61,636)	(651,112)	(170)	(651,282)
At 30th June 2025 (unaudited)	348,261	5,231,780	115,989	(80,070)	838,890	756,131	9,674	(107)	16,994,265	24,214,813	2,433,726	26,648,539

Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June 2026

	NOTE	Six months ended 30th June 2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Net cash generated from operating activities		**1,289,360**	934,553
Investing activities			
Purchases of property, plant and equipment		**(849,413)**	(1,432,378)
Purchase of right-of-use assets		**(330)**	(5,702)
Proceeds from disposal of property, plant and equipment		**4,358**	11,893
Proceeds from disposal of right-of-use assets		**15,668**	–
Acquisition of a subsidiary (net of cash and cash equivalents acquired)		**–**	(41,747)
Deemed disposal/disposal of subsidiaries (net of cash and cash equivalents disposed)	21	**151,266**	324,511
Consideration received for disposal of subsidiaries in prior years		**171,813**	160,306
Acquisition of associates		**–**	(14,845)
Acquisition of joint ventures		**–**	(5,916)
Capital contribution to associates		**(120,269)**	(76,787)
Repayment of loans to associates		**29,648**	35,018
Advances to associates		**(32,843)**	(71)
Repayment of loan to a joint venture		**14,620**	8,603
Advances to a joint venture		**(73,535)**	(15,480)
Withdrawal of restricted deposits		**59,226**	–
Placement of restricted deposits		**–**	(5,377)
Decrease (increase) in time deposits over three months		**13,553**	(5,998)
Dividends received from associates		**403,335**	206,477
Dividends received from joint ventures		**81,675**	76,623
Dividends received from equity instruments at fair value through other comprehensive income		**36,760**	35,104
Other investing cash flows		**5,835**	12,609
Net cash used in investing activities		**(88,633)**	(733,157)

For the six months ended 30th June 2026

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Financing activities		
Purchase of shares held for share award scheme	–	(40,206)
Proceeds from exercise of share options	–	6,657
Capital contribution from non-controlling shareholders of subsidiaries	–	9,497
Dividends paid to non-controlling shareholders of subsidiaries	(76,174)	(59,420)
Loan from ultimate holding company	55,954	20,710
Repayment of loan from ultimate holding company	(17,927)	(14,140)
Advances from associates	9,146	19,660
Repayment of loans from associates	–	(5,378)
Advances from joint ventures	6,635	5,389
Repayment of loans from joint ventures	(882)	(8,590)
New bank and other loans raised	3,678,000	7,948,411
Repayments of bank and other loans	(4,039,109)	(7,555,374)
Repayment of lease liabilities	(13,252)	(18,555)
Net cash (used in) generated from financing activities	(397,609)	308,661
Net increase in cash and cash equivalents	803,118	510,057
Cash and cash equivalents at beginning of the period	2,460,896	2,699,885
Effect of foreign exchange rate changes	115,750	89,547
Cash and cash equivalents at end of the period, representing bank balances and cash	3,379,764	3,299,489

1. BASIS OF PREPARATION

The Company is a public limited company incorporated in the Cayman Islands on 16th November 2000 under the Companies Law (Revised) Chapter 22 of the Cayman Islands as an exempted company with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the opinion of the directors of the Company ("Directors"), the Company's parent holding company and ultimate controlling shareholder is The Hong Kong and China Gas Company Limited ("HKCG"), a limited company incorporated in Hong Kong with its shares listed on the Stock Exchange.

The functional currency of the Company is Renminbi ("RMB"). The condensed consolidated financial statements are presented in Hong Kong dollars ("HK$" or "HKD"). The reason for selecting HKD as its presentation currency is because the Company is a public company incorporated in the Cayman Islands with its shares listed on the Stock Exchange, where most of its investors are located in Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in the sales of piped gas, renewable energy and other types of energy, construction of gas pipelines, the sales of gas appliances and related products, and other value-added services in the People's Republic of China (the "PRC").

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

In preparing the condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Company and its subsidiaries (collectively referred to as "the Group") in light of the fact that its current liabilities exceeded its current assets by approximately HK$8,497 million as at 30th June 2026. The Group's current liabilities as at 30th June 2026 included borrowings of approximately HK$5,909 million that are repayable within one year from the end of the reporting period.

As at 30th June 2026, the unissued portion of the Group's Medium Term Note Programme ("MTN Programme") amounted to approximately HK$12,962 million and unutilised facilities from banks and its parent company HKCG amounted to approximately HK$12,214 million ("Facilities"). When considering the Group's ability to continue as a going concern, the Directors considered that the Group's borrowings of approximately HK$5,909 million that are repayable within one year from the end of the reporting period will be rolled over or refinanced as the Group has a good relationship with the banks and has good credibility.

Taking into account the internally generated funds, the available amount of funds to be raised from the MTN Programme and those available Facilities, the Directors are confident that the Group will be able to meet its financial obligations when they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are stated at fair values at the end of each reporting period as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1st January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11
Amendments to HKFRS 7 and HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Operating segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance. The chief operating decision maker of the Group has been identified as the executive directors of the Company (the "Executive Directors").

The Group determines its operating segments based on the internal reports reviewed by the Executive Directors to facilitate strategic decision making.

The Group currently organises the reportable and operating segments as follows:

1. Gas business – Sales of piped gas and other gas-related energy, construction of gas pipeline networks under gas connection contracts and sales of gas-related household appliances and related products and other related value-added services

2. Renewable energy business – Sales of renewable energy (mainly photovoltaic power) and other related energy and services

3. Extended business – Interest in an associate engaged in sales of gas-related household appliances and related products, and other related value-added services

The Group also provides additional information for the gas business segment in relation to the revenue and results generated by sub-divisions of "sales of piped gas", "gas connection", "gas-related products and services" and "others".

3. SEGMENT INFORMATION *(Continued)*

Operating segments *(Continued)*

Segment revenue and results

Information regarding these segments is presented below:

	Gas business							
	Sales of piped gas HK$'000	Gas connection HK$'000	Gas-related products and services HK$'000	Others HK$'000	Sub-total HK$'000	Renewable energy business HK$'000	Extended business HK$'000	Consolidated HK$'000
Six months ended 30th June 2026 (unaudited)								
REVENUE								
Revenue recognised at a point in time	9,823,347	446,966	165,729	–	10,436,042	764,681	–	11,200,723
Revenue recognised over time	–	127,143	–	–	127,143	–	–	127,143
External	9,823,347	574,109	165,729	–	10,563,185	764,681	–	11,327,866
Results	588,947	162,003	31,602	192,419	974,971	80,177	24,539	1,079,687
Other income								1,456
Unallocated corporate expenses								(44,307)
Finance costs								(252,372)
Profit before unallocated taxation								784,464
Taxation – unallocated								(6,856)
Profit for the period								777,608

3. SEGMENT INFORMATION *(Continued)*

Operating segments *(Continued)*

Segment revenue and results *(Continued)*

Information regarding these segments is presented below:

	Gas business							
	Sales of piped gas HK$'000	Gas connection HK$'000	Gas-related products and services HK$'000	Others HK$'000	Sub-total HK$'000	Renewable energy business HK$'000	Extended business HK$'000	Consolidated HK$'000
Six months ended 30th June 2025 (unaudited)								
REVENUE								
Revenue recognised at a point in time	8,860,223	481,672	189,966	–	9,531,861	762,481	–	10,294,342
Revenue recognised over time	–	142,629	–	–	142,629	–	–	142,629
External	8,860,223	624,301	189,966	–	9,674,490	762,481	–	10,436,971
Results	527,109	219,272	21,976	143,318	911,675	170,877	21,562	1,104,114
Other income								5,002
Other gains, net								65,023
Unallocated corporate expenses								(41,327)
Finance costs								(269,433)
Profit before unallocated taxation								863,379
Taxation – unallocated								(25,057)
Profit for the period								838,322

Segment results from gas business, renewable energy business and extended business represent the profit after taxation generated by each segment, excluding certain other income, other gains, net, finance costs, unallocated corporate expenses such as central administration costs and directors' emoluments and withholding tax. These expenses and income are reported to the Executive Directors for the purposes of resource allocation and assessment of segment performance.

3. SEGMENT INFORMATION *(Continued)*

Operating segments *(Continued)*

Segment assets

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

	Gas business HK$'000	Renewable energy business HK$'000	Extended business HK$'000	Total HK$'000
At 30th June 2026 (unaudited)				
Segment assets	**47,138,016**	**9,907,194**	**285,239**	**57,330,449**
Unallocated assets:				
Other financial assets				**52,800**
Bank balances and cash				**355,905**
Total assets				**57,739,154**
At 31st December 2025 (audited)				
Segment assets	44,916,484	9,859,559	261,658	55,037,701
Unallocated assets:				
Other financial assets				89,352
Bank balances and cash				79,852
Total assets				55,206,905

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than other financial assets and certain bank balances and cash as these assets are managed on a group basis.

4. TOTAL OPERATING EXPENSES

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Gas fuel, stores and materials used	**8,886,538**	7,951,499
Staff costs	**675,424**	675,214
Depreciation and amortisation	**675,571**	627,350
Other expenses	**330,430**	372,430
	10,567,963	9,626,493

5. OTHER GAINS, NET

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Gain on deemed disposal/disposal of subsidiaries *(Note 21)*	**66,054**	52,881
Gain on disposal of right-of-use assets	**11,869**	–
Loss on disposal of property, plant and equipment	**(1,082)**	(3,130)
Exchange loss, net	**(3,096)**	(772)
Gain from restructuring of extended business *(Note 21)*	**–**	100,112
Others	**–**	(612)
	73,745	148,479

6. FINANCE COSTS

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest and other related cost on bank and other borrowings	**276,519**	287,008
Effective interest expense on convertible bonds	**42,957**	41,730
Bank charges	**3,377**	3,320
Interest on lease liabilities	**2,862**	2,735
	325,715	334,793
Less: amounts capitalised	**(8,722)**	(3,658)
	316,993	331,135

7. PROFIT BEFORE TAXATION

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories sold *(note)*	**9,610,813**	8,630,151
Staff costs *(note)*	**675,424**	675,214
Depreciation of property, plant and equipment *(note)*	**641,952**	593,936
Depreciation of right-of-use assets *(note)*	**25,109**	24,648
Amortisation of intangible assets *(note)*	**8,510**	8,766
Impairment loss of trade receivables, net of reversal	**12,917**	11,249
Impairment loss of inventories	**6,592**	–
and after crediting:		
Dividend income from equity instruments at fair value through other comprehensive income	**36,760**	35,104
Interest income	**5,835**	12,892

Note: Cost of inventories sold include capitalised staff costs, depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets, which are also included in the respective total amounts disclosed separately above.

8. TAXATION

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
The charge comprises:		
PRC Enterprise Income Tax ("EIT")		
– current period	215,420	212,831
Deferred taxation	62,643	54,063
	278,063	266,894

No provision for Hong Kong Profits Tax has been made as there is no net assessable profit in Hong Kong for both periods.

The EIT rates applicable for the Group's PRC subsidiaries range from 15% to 25% (six months ended 30th June 2025: 15% to 25%).

Following the 2020 edition of Catalogue of Encouraged Industries in Western Region (Order No. 40 [2021]) released by the National Development and Reform Commission of the PRC in 2021, certain subsidiaries which are operating in the Western China have been granted a concessionary tax rate of 15% by the local tax bureau.

The Group is operating in certain jurisdictions where the Global Anti-base Erosion Rules ("GloBE Rules" or "Pillar Two Rules") are effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Global Anti-base Erosion Rules based on management's best estimate, the management of the Group considered the Group is not liable to income taxes under the Pillar Two Rules.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the following data:

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to shareholders of the Company for the purpose of basic earnings per share	**690,141**	758,391
Effect of dilutive potential ordinary shares:		
Interest expense on convertible bonds	**–**	41,730
Change in fair value of embedded derivative component of convertible bonds	**–**	612
Profit for the period attributable to shareholders of the Company for the purpose of diluted earnings per share	**690,141**	800,733

	Number of shares Six months ended 30th June	
	2026	2025
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue less shares held for share award scheme for the purpose of basic earnings per share	**3,671,659**	3,479,311
Effect of dilutive potential ordinary shares:		
Convertible bonds	**–**	365,960
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**3,671,659**	3,845,271

The computation of diluted earnings per share for the six months ended 30th June 2026 does not assume the conversion of all convertible bonds issued as their conversion would result in an increase in earnings per share.

For the six months ended 30th June 2026 and 2025, the computation of diluted earnings per share did not assume the exercise of the share options issued by the Company because the exercise price of those options was higher than the average market price for shares for both periods.

10. DIVIDENDS

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends recognised as distribution during the period:		
2025 final dividend of HK14 cents per ordinary share (2025: 2024 final dividend of HK16 cents per ordinary share)	**514,032**	556,900
2025 special dividend of Nil per ordinary share (2025: 2024 special dividend of HK3 cents per ordinary share)	**–**	104,419
	514,032	661,319

Subsequent to the reporting period, the Board has declared an interim dividend of HK5 cents per ordinary share (six months ended 30th June 2025: HK5 cents per ordinary share), in an aggregate amount of approximately HK$189,063,000 (six months ended 30th June 2025: HK$174,129,000) payable to shareholders whose names are on the register of members of the Company as at 4th September 2026.

During the period, a final dividend of HK14 cents per ordinary share (2024: a final dividend of HK16 cents per ordinary share and a special dividend of HK3 cents per ordinary share, totalling HK19 cents per ordinary share), in an aggregate amount of approximately HK$514,032,000 (2024: HK$661,319,000) in respect of the year ended 31st December 2025 was declared by the Board.

The final dividend for 2025 was payable in cash but shareholders were given the option of electing to receive the final dividend in the form of new shares in lieu of cash in respect of part or all of such dividend. Subsequent to the reporting period, on 14th July 2026, the final dividend of HK14 cents per ordinary share, which included the scrip dividend alternative offered to shareholders, was paid to shareholders whose names appear on the register of members of the Company on 4th June 2026 as the dividend in respect of the financial year ended 31st December 2025.

11. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the current interim period, the Group spent HK$849,413,000 (six months ended 30th June 2025: HK$1,432,378,000) on additions to property, plant and equipment, including HK$656,928,000 (six months ended 30th June 2025: HK$941,554,000) on the construction in progress of gas pipelines and photovoltaic assets, and HK$192,485,000 (six months ended 30th June 2025: HK$490,824,000) on other plant and equipment.

Furthermore, during the current interim period, additions to right-of-use assets amounted to HK$30,122,000 (six months ended 30th June 2025: HK$21,256,000), of which HK$330,000 (six months ended 30th June 2025: HK$5,702,000) relates to acquisition of leasehold land.

12. GOODWILL

	HK$'000
At 1st January 2025 (audited)	4,629,309
Currency realignment	214,454
At 31st December 2025 and 1st January 2026 (audited)	**4,843,763**
Currency realignment	**183,053**
At 30th June 2026 (unaudited)	**5,026,816**

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.6.2026 HK$'000 (unaudited)	**31.12.2025 HK$'000 (audited)**
Trade receivables (net of allowance for credit losses)	**2,178,487**	2,184,228
Prepayments	**628,918**	596,429
Consideration receivable for disposal of subsidiaries	**498,399**	386,416
Other receivables and deposits	**496,058**	571,378
Amounts due from associates *(note)*	**435,504**	404,739
Amounts due from joint ventures *(note)*	**248,574**	200,332
	4,485,940	4,343,522

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

13. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

The gross carrying amount of trade receivables of the Group amounted to HK$2,471,080,000 (31st December 2025: HK$2,453,537,000) and allowance for credit losses of HK$292,593,000 (31st December 2025: HK$269,309,000). The Group has a policy of allowing a credit period ranging from 0 to 180 days to its customers. Longer credit period is also allowed on a case-by-case basis.
The following is an aging analysis of trade receivables net of allowance of credit losses presented based on the invoice date, which approximated the revenue recognition date, at the end of the reporting period:

	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
0 to 90 days	1,671,424	1,601,299
91 to 180 days	246,764	221,286
Over 180 days	260,299	361,643
	2,178,487	2,184,228

Impairment assessment of financial assets

	Six months ended 30th June	
	2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Impairment loss of trade receivables, net of reversal	12,917	11,249

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30th June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st December 2025.

14. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
Trade payables	2,154,956	1,995,804
Other payables and accruals	1,530,983	1,633,036
Consideration payable for acquisition of businesses	177,641	178,285
Amount due to ultimate holding company *(note)*	4,212	1,900
	3,867,792	3,809,025

Note: The amount is unsecured, interest-free and repayable on demand.

Trade payables

The Group normally receives credit terms of 0 to 60 days from its suppliers. The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
0 to 90 days	1,094,007	1,170,099
91 to 180 days	566,125	427,641
181 to 360 days	332,639	150,980
Over 360 days	162,185	247,084
	2,154,956	1,995,804

15. BORROWINGS

	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
Bank loans – unsecured	13,230,233	11,851,719
Sustainability linked bonds ("SLB") - unsecured	1,571,074	1,558,984
MTN – unsecured	1,155,669	1,113,586
Panda bonds – unsecured	–	557,497
Other loans – unsecured	46,208	45,801
	16,003,184	15,127,587
Carrying amount repayable:		
On demand or within one year	5,909,131	4,382,717
Within a period of more than one year but not exceeding two years	3,942,203	4,018,116
Within a period of more than two years but not exceeding five years	5,954,299	6,516,045
Within a period of more than five years	197,551	210,709
	16,003,184	15,127,587
Less: Amount due within one year shown under current liabilities	(5,909,131)	(4,382,717)
Amount due after one year shown under non-current liabilities	10,094,053	10,744,870

In respect of bank loans with carrying amount of HK$7,870 million as at 30th June 2026 (31st December 2025: HK$7,114 million), the Group is required to comply with financial covenants determined based on consolidated tangible net worth, consolidated net borrowings, consolidated assets or current ratio which are tested on a half yearly on a needed basis. The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank loans balances as non-current.

16. CONVERTIBLE BONDS

	Debt component HK$'000	Embedded derivative component HK$'000	Total HK$'000
At 30th June 2026 (unaudited)			
Carrying amount	**2,216,885**	**–**	**2,216,885**
At 31st December 2025 (audited)			
Carrying amount	2,027,401	5,676	2,033,077

	Six months ended 30th June	
	2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Effective interest expense on convertible bonds	**42,957**	41,730

On 8th May 2026, the Company and the bondholder entered into a supplemental deed to change the maturity date of the convertible bonds from 18th November 2026 to 7th July 2026. Details are set out in the announcement of the Company dated 8th May 2026. The Directors consider the financial impact of the change of maturity date of convertible bonds is insignificant to the condensed consolidated financial statements for the six months period ended 30 June 2026. The convertible bonds had been settled on 7th July 2026.

17. SHARE CAPITAL

Authorised shares of HK$0.10 each

	Number of shares	HK$'000
At 1st January 2025, 31st December 2025, 1st January 2026 and 30th June 2026	**5,000,000,000**	**500,000**

A summary of the movements in the issued and fully paid capital of the Company is as follows:

	Number of shares	HK$'000
At 1st January 2025 (audited)	**3,480,651,937**	**348,065**
Issue of shares upon scrip dividend scheme *(notes a and b)*	**181,050,243**	**18,105**
Share options exercised *(note c)*	**9,988,000**	**999**
At 31st December 2025 (audited), 1st January 2026 (audited) and 30th June 2026 (unaudited)	**3,671,690,180**	**367,169**

Notes:

(a) On 14th March 2025, a scrip dividend scheme was proposed by the Board, which offers the shareholders of the Company may elect to receive the dividend wholly or partly by the allotment of new shares in lieu of cash. This proposal was approved at the Company's annual general meeting held on 29th May 2025. On 14th July 2025, 149,126,070 shares of HK$0.10 each were allotted and issued at HK$3.446 each to shareholders who had elected to receive new shares in lieu of cash dividend in respect of the 2024 final dividend and special dividend under the scrip dividend scheme.

(b) On 11th September 2025, a scrip dividend scheme allows the shareholders of the Company may elect to receive the dividend wholly or partly by the allotment of new shares in lieu of cash. On 17th October 2025, 31,924,173 shares of HK$0.10 each were allotted and issued at HK$3.998 each to shareholders who had elected to receive new shares in lieu of cash dividend in respect of the 2025 interim dividend under the scrip dividend scheme.

(c) During the year ended 31st December 2025, options were exercised to subscribe for 9,988,000 ordinary shares of the Company of HK$0.1 each at an aggregate consideration of approximately HK$33,959,000.

All the shares which were issued in current period/prior year rank pari passu with the then existing shares in all respects.

18. SHARE-BASED PAYMENT TRANSACTIONS

Share award scheme

On 17th August 2021, the Company adopted the share award scheme (the "Scheme") for the purposes of (a) recognising the contributions by certain directors or employees of the Group (the "eligible participants") and providing them with incentives in order to retain them for the continual operation and development of the Group and (b) attracting suitable personnel for the further development of the Group and to contribute to the long-term growth of the Group. Unless terminated earlier by the Board pursuant to the Scheme, the Scheme shall be valid and effective for a period of ten years commencing on 17th August 2021. Tricor Trust (Hong Kong) Limited was appointed as a trustee of the Scheme. Subject to the terms and conditions of the Scheme and the fulfilment of all vesting conditions, the award shares held by the trustee on behalf of a selected participant shall vest in such selected participant and the trustee shall transfer the award shares to such selected participant. Details of the Scheme were disclosed in the announcement of the Company dated 17th August 2021.

At 30th June 2026, there are 31,000 shares (31st December 2025: 31,000 shares) held by the trustee. No shares were granted to the eligible participants during the six months ended 30th June 2026. The Group recognised nil amount for the six months ended 30th June 2026 (six months ended 30th June 2025: total expenses of HK$41,412,000) in relation to shares granted to the selected eligible participants.

Share option scheme

The Company has adopted a share option scheme (the "Share Option Scheme") pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 26th May 2022 and the Share Option Scheme was also approved by ordinary resolution of the shareholders of HKCG, the parent company of the Company, at HKCG's annual general meeting on 6 June 2022. The participants include employees and directors of the Group, consultants and other advisors to members of the Group who are also directors and/or senior management staff of subsidiaries of HKCG. The Share Option Scheme is valid and effective for a period of ten years commencing 26th May 2022.

The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the eligible participants, attracting and retaining persons with the right calibre and experience to work for or make contribution to the Group, fostering a sense of belonging with the Group, and allowing the participants to enjoy the results of the Company achieved through their contributions to the Group.

The details and terms of the Share Option Scheme are the same as those disclosed in the Group's annual financial statements for the year ended 31st December 2025.

At 30th June 2026, 3,300,000 (31st December 2025: 3,300,000) share options at an weighted average exercise price of HK$3.57 (31st December 2025: HK$3.57) were held by directors of the Company and 8,300,000 (31st December 2025: 8,300,000) share options at an weighted average exercise price of HK$3.57 (31st December 2025: HK$3.57) were held by other participants representing directors or senior management staff of the subsidiaries of the Company and directors of both subsidiaries of the Company and of HKCG.

18. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

Share option scheme *(Continued)*

During the six months ended 30th June 2025, options were exercised to subscribe for 1,958,000 ordinary shares of the Company of HK$0.10 each at an aggregate consideration of HK$6,657,000 in which HK$196,000 was credited to share capital and the balance of HK$6,461,000 was credited to the share premium account. Share option reserve of HK$1,725,000 has been transferred correspondingly to the share premium account. No share options were exercised during the six months ended 30th June 2026.

During the six months ended 30th June 2025, 169,000 share options at an exercise price of HK$3.40 lapsed upon the retirement or resignation of employees and an amount of HK$324,000 was transferred from share-based payment reserve to the retained earnings. No share options were lapsed during the six months ended 30th June 2026.

During the six months ended 30th June 2025, 11,600,000 options were granted pursuant to the Share Option Scheme on 18th March 2025. The estimated fair value of the options granted on that date was HK$8,251,000. No share options were granted by the Company during the six months ended 30th June 2026.

The fair value was calculated using the Binomial option pricing model. The inputs into the model were as follows:

Grant date	18th March 2025
Share price (HK$)	3.57
Exercise price (HK$)	3.57
Expected volatility	35.148%
Expected life (years)	3
Expected dividend yield	4.482%
Risk-free interest rate	3.119%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Change in the subjective input may materially affect the fair value estimates.

The Group recognised a total expense of HK$1,759,000 for the six months ended 30th June 2026 (six months ended 30th June 2025: HK$2,344,000) in relation to share options granted by the Company.

19. COMMITMENTS

	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
– Acquisition of property, plant and equipment	388,890	264,621

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Financial assets/liabilities	Fair value as at 30.6.2026 (unaudited)	Fair value as at 31.12.2025 (audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Listed equity investment classified as fair value through other comprehensive income	**Assets – HK$1,054,045,000**	**Assets – HK$1,177,933,000**	Level 1	Quoted market price	N/A
Cross currency swap classified as other financial assets	**Assets – HK$52,800,000**	**Assets – HK$89,352,000**	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable yield curves at the end of the reporting period).	N/A
Unquoted equity investments	**Assets – HK$119,623,000**	**Assets – HK$126,037,000**	Level 3	Market comparable approach	Market multiples ranging from 0.2 to 2.2 (31st December 2025: 0.2 to 2.2) and discount for lack of marketability ranging from 0% to 30% (31st December 2025: 0% to 30%) *(note a)*
Embedded derivative component of convertible bonds	**Liabilities – Nil**	**Liabilities – HK$5,676,000**	Level 3	Binomial option pricing model	Expected volatility of 25.6% (31st December 2025: 26.8%)

Note:

(a) The higher the market multiples, the higher the fair value, and vice versa. The higher the discount, the lower the fair value, and vice versa. A reasonably possible change in the unobservable inputs used would not result in a significantly higher or lower fair value measurement.

20. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

Reconciliation of Level 3 fair value measurements

	Unquoted equity investments HK$'000	Embedded derivative component of convertible bonds HK$'000
Balance at 1st January 2025 (audited)	**104,584**	**(17,346)**
Fair value change recognised in profit or loss	**–**	**(612)**
Fair value change recognised in other comprehensive income	**(17,093)**	**–**
Currency realignment	**2,770**	**(524)**
Balance at 30th June 2025 (unaudited)	**90,261**	**(18,482)**
Balance at 1st January 2026 (audited)	**126,037**	**(5,676)**
Fair value change recognised in profit or loss	**–**	**5,906**
Fair value change recognised in other comprehensive income	**(11,385)**	**–**
Currency realignment	**4,971**	**(230)**
Balance at 30th June 2026 (unaudited)	**119,623**	**–**

Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the Directors half yearly to explain the cause of fluctuations in the fair value of the assets and liabilities.

There were no transfers between Level 1, 2 and 3 during both periods.

The Directors consider that the carrying amounts of financial assets and financial liabilities (except for debt component of convertible bonds, SLB, panda bonds and MTN) recorded at amortised cost in the condensed consolidated financial statements approximate their fair values. For debt component of convertible bonds, SLB, panda bonds and MTN, the fair values at 30th June 2026 amounted to HK$2,230,214,000, HK$1,556,836,000, Nil and HK$1,165,550,000 (31st December 2025: HK$2,026,739,000, HK$1,545,081,000, HK$560,969,000 and HK$1,116,286,000), respectively.

21. DISPOSAL OF SUBSIDIARIES

(i) Disposal of renewable energy companies

Since 2024, the Group initiated an asset-light model to develop its renewable energy business and divested certain subsidiaries. During the six months ended 30th June 2026, the Group has disposed of partial equity interests in numerous subsidiaries which are principally engaged in the renewable energy business, at the aggregate consideration of RMB620,114,000 (equivalent to HK$706,280,000) (30th June 2025: RMB512,545,000 (equivalent to HK$557,356,000)). Upon completion of the disposals, these entities ceased to be the subsidiaries but remained as associates or joint ventures of the Group. In the opinion of the Directors, the disposals are individually immaterial and therefore presented on an aggregated basis.

Analysis of assets and liabilities over which controls were lost:

	2026 HK$'000 (unaudited)	2025 HK$'000 (unaudited)
Property, plant and equipment	1,100,493	511,880
Right-of-use assets	38,668	407
Trade and other receivables	491,428	242,601
Bank balances and cash	287,229	74,411
Trade and other payables	(1,069,773)	(297,714)
Contract liabilities	(648)	–
Taxation payable	(1,410)	(537)
Borrowings	(25,244)	–
Lease liabilities	(40,426)	(475)
	780,317	530,573
Gain arising on disposal of subsidiaries:		
Consideration received	438,495	508,634
Consideration receivable for disposal of subsidiaries	267,785	48,722
Retained interests in associates or joint ventures	140,091	26,098
Net assets disposed of	(780,317)	(530,573)
	66,054	52,881
Net cash inflow on disposal:		
Consideration received	438,495	508,634
Bank balances and cash disposed	(287,229)	(74,411)
	151,266	434,223

21. DISPOSAL OF SUBSIDIARIES *(Continued)*

(ii) Disposal of extended business companies

For the period ended 30th June 2025

On 25th October 2024, the Group entered into a restructuring agreement with HKCG and Towngas Lifestyle Holding Company Limited ("Towngas Lifestyle"), a wholly-owned subsidiary of HKCG, pursuant to which the Group would transfer certain of its extended business to Towngas Lifestyle and its subsidiaries or associates by way of business transfer and equity interests transfer. The total consideration would be settled by cash of RMB22,432,000 and an allotment and issue of new shares of Towngas Lifestyle. Upon completion of the transaction, Towngas Lifestyle would become an associate of the Company. Details are set out in the announcements of the Company dated 25th October 2024 and 22nd November 2024.

At 31st December 2024, the Group partially completed the restructuring and 600 new shares, representing approximately 6.38% of the total issued shares of Towngas Lifestyle, were issued to the Group as the first consideration shares, resulting in a gain amounting to HK$33,582,000 recognised during the year ended 31st December 2024.

During the six months ended 30th June 2025, an additional 331 new shares, representing approximately 2.95% of the total issued shares of Towngas Lifestyle, were issued to the Group as the second consideration shares, resulting in a gain amounting to HK$100,112,000 recognised during the six months ended 30th June 2025. Upon completion of the disposal, the Group held an aggregated equity interest of 9.45% in Towngas Lifestyle.

Analysis of assets and liabilities over which controls were lost:

	HK$'000 (unaudited)
Interests in associates	74,820
Bank balances and cash	109,712
Amounts due to group companies	(91,910)
	92,622
Gain arising on disposal of subsidiaries:	
Additional interests in an associate	60,722
Deferred consideration released	132,012
Net assets disposed of	(92,622)
	100,112
Net cash outflow on disposal:	
Bank balances and cash disposed	(109,712)

22. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the condensed consolidated financial statements, the Group has the following transactions with related parties:

	Six months ended 30th June	
	2026	2025
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Transactions with fellow subsidiaries *(note a)*:		
Purchase of goods and services	**161,152**	105,800
Sale of goods and services	**117,488**	205,006
Transactions with associates and joint ventures of ultimate controlling shareholder *(note b)*:		
Purchase of goods and services	**53,322**	26,338
Sale of goods and services	**46,754**	7,732
Transactions with a joint venture *(note c)*:		
Purchase of goods	**117,555**	78,244
Transactions with associates *(note d)*:		
Purchase of goods	**74,745**	20,807
Sale of goods	**5,433**	7,397

Notes:

(a) HKCG has controlling interests in these companies.

(b) HKCG has significant influences or jointly control in these companies.

(c) The Group jointly controlled this company with an independent third party.

(d) The Group has significant influences in these companies.