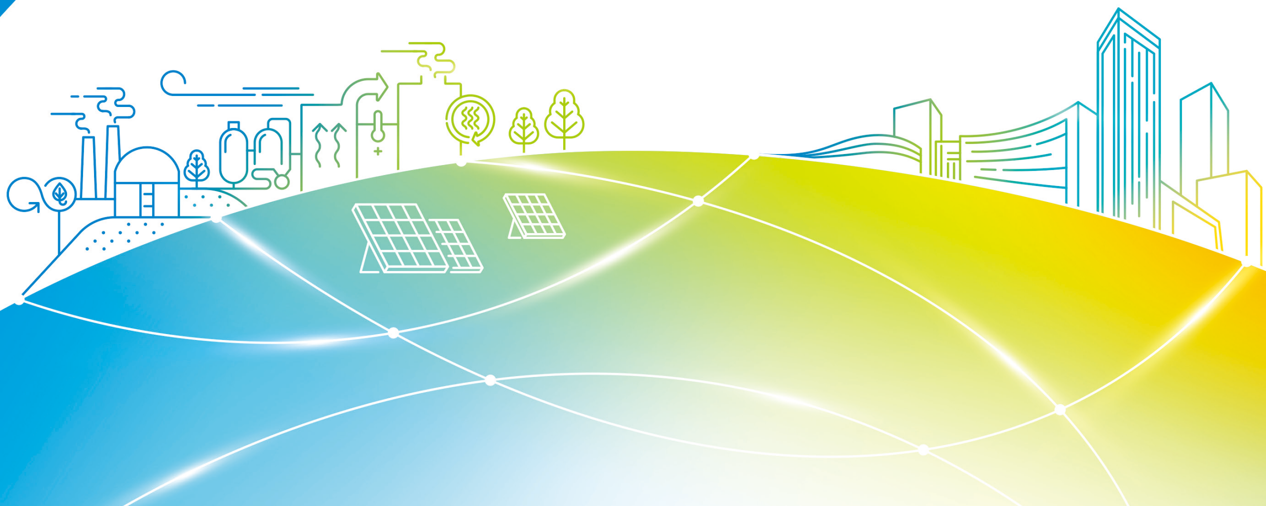
新奥能源控股有限公司
ENN Energy Holdings Limited
(Stock code 股份代號: 2688)

Soaring Towards Sustainability
邁向可持續未來

INTERIM REPORT 2025
二零二五年中期業績報告



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CORPORATE INFORMATION

Board of Directors

Executive Directors

Wang Yusuo (Chairman)
Zhang Yuying (Chief Executive Officer)
Gong Luojian (President)
Wang Dongzhi (Chief Financial Officer)
Zhang Jin
Su Li

Non-executive Director

Wang Zizheng

Independent Non-executive Directors

Ma Zhixiang
Yuen Po Kwong
Law Yee Kwan, Quinn *CPA*
Wong Lai, Sarah *FCCA*

Company Secretary

Leung Mui Yin

Authorised Representatives

Wang Dongzhi
Zhang Jin

Members of the Audit Committee

Wong Lai, Sarah* *FCCA*
Ma Zhixiang
Yuen Po Kwong
Law Yee Kwan, Quinn *CPA*

Members of the Remuneration Committee

Ma Zhixiang*
Yuen Po Kwong
Law Yee Kwan, Quinn *CPA*
Wong Lai, Sarah *FCCA*

Members of the Nomination Committee

Wang Yusuo*
Zhang Jin
Ma Zhixiang
Yuen Po Kwong
Law Yee Kwan, Quinn *CPA*
Wong Lai, Sarah *FCCA*

Members of the Risk Management Committee

Zhang Yuying *
Gong Luojian
Wang Dongzhi
Su Li
Ma Zhixiang
Yuen Po Kwong
Law Yee Kwan, Quinn *CPA*
Wong Lai, Sarah *FCCA*

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Stock Exchange Listing

The Stock Exchange of Hong Kong Limited

Stock Code

2688

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Bank of China
Bank of Communications
China Merchants Bank
Citibank
DBS Bank Limited
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* Chairperson of the relevant Board committees

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Business Review

In the first half of 2025, amid a complex and volatile international landscape, proactive and effective domestic macro policies supported the economy in navigating external pressures and maintaining a steady, positive trajectory. The comprehensive rollout of key policies such as the implementation of major national strategies and the enhancement of security capacity in key areas, and the introduction of equipment upgrades and consumer goods trade-in programs, along with the deepening of reforms in the energy sector, have fostered a favourable environment for the Group's business expansion and enhancement of competitiveness.

In the first half of the year, the Group actively pursued its strategic positioning of "leveraging intelligent innovation services to become a multi-value service provider anchored in natural gas operations". The Group continued to expand customer base and integrate high-quality resources to strengthen the foundation of its natural gas operations. Retail gas sales volume reached 12,953 million cubic meters, representing a year-on-year increase of 1.9%. Seizing opportunities brought by power sector reforms, the Group's integrated energy business achieved a steady growth, with its gross profit up by 2.1% year-on-year. Through product innovation and service upgrades, smart home business recorded an increase of 4.9% in gross profit. The Group continuously advanced business transformation, gross profit contribution from the integrated energy and smart home businesses increased by 1.4% to 39.6%. Core profit from domestic businesses continued to grow steadily. Meanwhile, the Group continued to optimise its domestic and overseas debt structure, bringing interest-bearing liabilities down to RMB18,739 million. Overall financing cost further decreased, providing stronger financial support for business development.

The key financial data and operational data of the Group for the period together with the comparative figures for the corresponding period in last year are as follows:

	Six months ended 30 June **2025** **(unaudited)**	 2024 (unaudited)	**Increased/** **(Decreased) by**
Key financial data			
Revenue (RMB million)	**55,673**	54,587	2.0%
Gross profit (RMB million)	**6,457**	6,465	(0.1%)
Profit attributable to owners of the Company (RMB million)	**2,429**	2,573	(5.6%)
Core profit from domestic businesses[Δ]* (RMB million)	**3,102**	3,080	0.7%
Basic earnings per share (RMB)	**2.19**	2.29	(4.4%)
Interim dividend per share (HK$)	**0.65**	0.65	–

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	Six months ended 30 June 2025 (unaudited)	2024 (unaudited)	Increased/ (Decreased) by
Key operational data#			
Number of city-gas projects in China	**263**	260	3
Connectable urban population coverage (thousand)	**144,825**	139,960	3.5%
New natural gas customers developed during the period:			
– residential households (thousand)	**692**	775	(10.7%)
– C/I customers (sites)	**22,198**	9,544	132.6%
– installed designed daily capacity for C/I customers (thousand m^3)	**6,286**	7,262	(13.4%)
Accumulated number of customers:			
– residential households (thousand)	**32,070**	30,537	5.0%
– C/I customers (sites)	**293,141**	252,712	16.0%
– installed designed daily capacity for C/I customers (thousand m^3)	**222,248**	208,123	6.8%
Piped gas penetration rate	**66.4%**	65.5%	0.9 ppt
Retail gas sales volume (million m^3)	**12,953**	12,710	1.9%
Wholesale of gas volume (million m^3)	**4,687**	3,700	26.7%
Accumulated scalable integrated energy projects in operation	**374**	332	42
Scalable integrated energy projects under construction	**60**	72	(12)
Sales volume of integrated energy (million kWh)	**19,764**	19,740	0.1%

Δ Profit attributable to owners of the Company but stripping out related after-tax profits from wholesale of gas (overseas sales)*, other gains and losses (excluding net settlement amount realised from commodity derivative financial instruments, net compensation income and gain on repurchase of senior notes), and relevant deferred tax arose from net unrealised gain (loss) of commodity derivative financial instruments.

* The related after-tax profits from wholesale of gas (overseas sales) (including the net settlement amount realised from commodity derivative financial instruments) amounted to RMB121 million (2024: RMB183 million).

The Group's operational data disclosed in the announcement included the data of its subsidiaries, joint ventures and associates.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Highlights

Natural Gas Business: Sustained growth through our commitment in scale-driven profit

In the first half of 2025, the natural gas market exhibited an overall surplus in supply. From January to June, China's apparent natural gas consumption reached 211.97 billion cubic meters, representing a year-on-year slight decline of 0.9%. In response to the current supply-demand dynamics, the Group adhered to a scale-driven profitability strategy, with continued focus on expanding its customer base, optimising resource allocation, and enhancing operational efficiency, thereby reinforcing the foundation of natural gas business.

During the period, the Group dynamically identified customer needs and implemented differentiated development strategies, driving continued growth in customer scale. For industrial customers, the focus remained on reducing costs and improving efficiency, as well as stabilising their gas demand. Energy-saving upgrades were promoted in the food processing and glass sectors, and through energy substitution – including steam, liquefied petroleum gas (LPG), biomass, electricity and other energy sources – newly added industrial customers contributed to a total designed daily capacity of 4.682 million cubic meters. For commercial customers, we addressed key pain points in gas safety by leveraging the government's "bottle-to-piped-gas conversion" policy. Utilising big data, we accurately identified business opportunities, with a strategic focus on penetrating high-potential scenarios such as street-facing storefronts. Through process optimisation, we ensured rapid delivery, resulting in newly added gas supply of a total designed daily capacity of 1.604 million cubic meters. For residential households, in response to national housing policy requirements, the Group implemented multiple initiatives to develop 174,000 existing households, effectively mitigating the impact of downturn in the new housing market, bringing a total of 692,000 newly installed households. At the same time, we actively promoted residential price alignment. Four enterprises successfully completed gas cost pass-through during the first half of the year, bringing the cumulative gas price adjustment rate to 64%.

Leveraging a large customer base and stable gas demand, the Group further advanced the optimisation of its resource structure. The Group reinforced its foundational resource bases from the three major oil companies, achieving a year-on-year increase of 1.3 billion cubic meters in contract volumes. Notably, long-term supply from Sinopec was secured for the first time, making a significant step forward in enhancing the Group's resource security. By coordinating resource allocation and optimisation, and substitution of high-cost resources, the Group effectively enhanced the overall structural efficiency. Amid rising correlation between upstream resources and oil and gas indices, a combined strategy of hedging and physical contracts was implemented to manage price volatility and stabilise the natural gas business profitability. Meanwhile, to further mitigate foreign exchange risks in procurement, the Group had signed forward foreign exchange contracts with several financial institutions to stabilise procurement costs. As of 30 June 2025, the Group had hedged a total of USD624 million. The hedging ratio against its trade exposure reached 25.6%.

Leveraging digital and intelligent technologies rooted in industry practices, the Company built an intelligent model to drive operational transformation. Intelligent station models enabled real-time monitoring, ensuring safe operations. The intelligent maintenance model enabled condition assessment of pressure-regulating facilities, facilitating a shift from traditional scheduled maintenance to predictive maintenance, thereby improving efficiency and reducing operational costs. The intelligent metering models accurately identified metering anomalies and gas leakage points, enabling simultaneous reduction in gas loss and a comprehensive enhancement of safety assurance.

For the six months ended 30 June 2025, the Group recorded retail gas volume of 12,953 million cubic meters, representing a year-on-year increase of 1.9%. Revenue increased by 1.2% year-on-year to RMB30,432 million, while gross profit decreased by 1.5% to RMB3,092 million. Wholesale of gas business helps to strengthen the overall natural gas value chain, enhance supply reliability, and improve market reach. During the period, revenue from the wholesale of gas business maintained a steady growth trend, up by 17.2% year-on-year to RMB14,467 million. The business scale continued to expand; however, due to ample supply and a sluggish macroeconomic environment, wholesale prices came under pressure, resulting in a decline in gross profit and a loss of RMB15 million. The construction and installation business continued to be affected by the downward pressure in the real estate sector, the revenue and gross profit declined by 7.9% and 0.5% year-on-year to RMB1,710 million and RMB820 million, respectively.

Integrated Energy Business: Steady growth in integrated energy by accelerating our electricity power business

In the first half of 2025, market-oriented reforms in the power sector accelerated, and the Emissions Trading System continued to improve. The National Development and Reform Commission and the National Energy Administration jointly issued key documents, including the "*Notice on Accelerating the Construction of the Power Spot Market*" and the "*Basic Rules for the Power Ancillary Services Market*", marking the initial establishment of a unified national regulatory framework for the electricity market. These developments injected strong momentum into China's green economic transformation and further expanded the scope of the carbon markets. Meanwhile, with the impending implementation of the European Union's new battery regulation and Carbon Border Adjustment Mechanism, customer demand for green, economical, and efficient energy-carbon solutions became increasingly urgent. The Group seized policy opportunities by leveraging its broad base of enterprise customers across its operating regions and accessible markets, guided by the proactive implementation of its integrated energy strategy. Through tailored solutions and the deployment of its comprehensive "Source-Grid-Load-Storage-Sales" model, the Group expanded services to customers in industrial parks, factories, and the building sector, achieving steady growth in its integrated energy business.

By continuously gaining insights into diverse needs and refining replicable business models, the Group accelerated scalable development. In the first half of 2025, in response to the low-carbon power demands of small and micro industrial parks comprising enterprises characterised by specialisation, refinement and innovation, the Group acquired customers through the "Source-Grid-Load-Storage-Sales" model. Newly connected photovoltaic capacity reached 324.46MW (with a cumulative operational capacity of 988.98MW). Newly connected energy storage capacity amounted to 45.75MWh (with a cumulative operational capacity of 140.75MWh). Focusing on the low-cost and clean energy needs of large-scale, high-energy-consuming industrial parks, the Group acquired customers through its "Grid" platform and implemented four new projects by substituting low-cost thermal energy sources. In response to energy efficiency upgrade demands from factory and construction customers, the Group introduced an innovative "equipment retrofit + intelligent control" model, resulting in newly commissioned capacity of 228.02MW for customers in sectors such as textile dyeing, food processing, pharmaceuticals, hotels and commercial complexes. At the same time, the Group enhanced the quality and efficiency of its integrated energy project delivery, achieving a total of 583.65MW in newly commissioned capacity.

During the period, the Group proactively optimised its project structure and expedited the delivery of new projects, bringing its cumulative operating installed capacity to reach 13.92GW. Nonetheless, impacted by factors such as the macroeconomic environment and fluctuations in customer demand, the Group recorded integrated energy sales of 19,764 million kWh, which remained flat year-on-year. Coupled with factors such as the decline in energy price and the optimisation of the customer settlement model, revenue from the integrated energy business amounted to RMB6,908 million, representing a 16.0% year-on-year decline. Despite facing the aforementioned challenges, the Group applied intelligent technologies to systematically enhance efficiency in areas such as photovoltaic and energy storage operations, thermal source optimisation, pipeline loss management, and precision metering, thereby driving gross profit margin up to 15.8%, and gross profit up by 2.1% year-on-year to RMB1,090 million.

Smart Home Business[§]: Upgrade products and services to unlock the full value of household customers

In the first half of 2025, the General Office of the State Council released the "*Special Action Plan for Boosting Consumption*", aiming to expand domestic demand through multiple measures such as increasing income, reducing burdens, improving supply quality, and optimising the consumption environment. This led to a real growth of 5.3% in per capita consumer spending nationwide. Leveraging a customer base of 32.07 million households, the Group accurately identified customer needs, strengthened supply capabilities, and innovated products and services to drive the development of its smart home business. As a result, the comprehensive customer penetration rate reached 10.4%, and the average transaction value rose to RMB649 per household.

In terms of basic products and services, the Group focused on quality demands to upgrade stove functionalities, and introduced service models such as "365-day replacement guarantee" and "4-hour service response", leading to a 60.0% increase in sales volume of self-owned brand, Gratle. For intelligent products and services, offerings such as the safety guardian have effectively integrated products with services. As a result, the contracted amount for safety guardian reached RMB553 million in the first half of the year, and the business begun to demonstrate early signs of achieving scaled growth. Regarding premium products and services, the Group leveraged AI-driven solution generation capabilities and external ecosystem partnership resources to expand diversified models such as kitchen renovation and home services. It also accelerated the export of its smart home business model capabilities, achieving expansion into markets beyond its concession areas.

For the six months ended 30 June 2025, the Group's smart home business recorded revenue and gross profit of RMB2,156 million and RMB1,470 million, representing year-on-year increases of 3.7% and 4.9%, respectively. The Group will continue to upgrade its products and services to precisely respond to household customer needs, converting customer value into business growth.

§ The Company has amended the English translation to align with its Chinese business name.

Significant Events During the Reporting Period – the Proposal

As disclosed in the joint announcement (the "Joint Announcement") dated 26 March 2025 made by ENN Natural Gas Co., Ltd. ("ENN-NG", the controlling shareholder of the Company), Xinneng (Hong Kong) Energy Investment Limited (the "Offeror", and a wholly-owned subsidiary of ENN-NG) and the Company, on 18 March 2025, the Offeror has requested the board of directors of the Company (the "Board") to, subject to the satisfaction of certain pre-conditions, put forward the proposal (the "Proposal") to the registered holders of all the Shares in issue (other than those held by the Offeror) (the "Scheme Shares", and such holders, the "Scheme Shareholders") for the privatisation of the Company by way of a scheme of arrangement (the "Scheme") under section 86 of the Companies Act (2025 Revision) of the Cayman Islands. Upon the fulfilment of certain conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive 2.9427 newly issued H shares of ENN-NG and a cash consideration of HK$24.50 to be paid by the Offeror for every cancelled Scheme Share, and the listing of the Shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be withdrawn.

Please refer to the Joint Announcement for the detailed terms and conditions and the reasons and benefits of the Proposal, and the announcements made by ENN-NG, the Offeror and/or the Company from time to time on the websites of the Stock Exchange and the Company for the progress of the Proposal. Subject to the satisfaction of the pre-conditions to the Proposal, a scheme document setting out (amongst others) further details in relation to the Proposal will also be despatched in due course, and Shareholders are also advised to carefully read the scheme document when published.

Financial Performance

The Group continued to focus on its strategy of "leveraging intelligent innovation services to become a multi-value service provider anchored in natural gas operations". For the six months ended 30 June 2025, the Group's total revenue reached RMB55,673 million, recorded a year-on-year increase of 2.0%, primarily driven by the expansion of wholesale of gas volume. The wholesale of gas business experienced a gross loss during the period due to ample supply and price volatility, exerting mild short-term pressure on the overall gross profit margin. For the six months ended 30 June 2025, the Group recorded a total gross profit of RMB6,457 million and a gross profit margin of 11.6%, with the overall trend remaining stable.

During the period, the Group continued to exercise effective cost control, with selling and administrative expenses accounting for 4.7% of revenue, remaining stable compared to the previous year. Benefiting from a decline in average bank lending rates and an optimised loan structure, net interest expenses decreased by 5.9% year-on-year, resulting in cost savings of approximately RMB15 million. Due to macroeconomic conditions, the fair value of financial assets declined by approximately RMB281 million, which resulted in the Company's profit attributable to shareholders and basic earnings per share were RMB2,429 million and RMB2.19, representing year-on-year decreases of 5.6% and 4.4%, respectively. However, such fair change did not have impacts on cash flow. Stripping out the impact of the related after-tax profit from wholesale of gas (overseas sales), other gains and losses (excluding net settlement amount realised from commodity derivative financial instruments and net compensation income), and deferred tax related to unrealised gains on commodity derivative financial instruments totaling RMB673 million, core profit from domestic businesses recorded a modest year-on-year increase of 0.7% to RMB3,102 million.

Financial Resources Review

As at 30 June 2025, the cash, current and non-current debts of the Group are as follows:

	30 June 2025 RMB million	31 December 2024 RMB million	Increased/ (Decreased) by RMB million
Bank balances and cash (excluding restricted bank deposits)	**6,339**	7,693	(1,354)
Long-term debts (including bonds)	**12,875**	13,068	(193)
Short-term debts	**5,864**	6,464	(600)
Total debts	**18,739**	19,532	(793)
Net debts[1]	**12,400**	11,839	561
Total equity	**51,036**	51,076	(40)
Net gearing ratio[2]	**24.3%**	23.2%	1.1 ppt
Net current liabilities	**12,056**	10,318	1,738

1 Net debts = Total debts – Bank balances and cash (excluding restricted bank deposits)

2 Net gearing ratio = Net debts / Total equity

Working Capital Management

During the period, the Group adopted a prudent financial strategy, flexibly adjusting the pace of expenditures based on available financial resources to ensure stable cash flow and efficient use of funds. For the six months ended 30 June 2025, the Company's receivables, payables and inventory turnover days were 14 days, 20 days and 5 days respectively, similar to the end of last year.

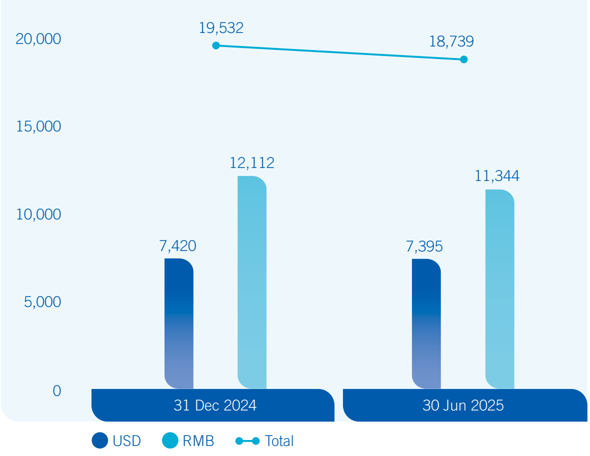
Borrowings Structure

As at 30 June 2025, the Group's total borrowing amount decreased by RMB793 million from end of last year to approximately RMB18,739 million, primarily due to the utilisation of surplus funds during the period to repay part of its loans, thereby further reducing the Group's financing cost. Approximately 71.4% (31 December 2024: 72.3%) of total debts carry a fixed interest rate. As at 30 June 2025, the Group's net debt ratio slightly increased by 1.1 percentage point to 24.3% compared to the end of last year. The overall debt structure remained highly robust.

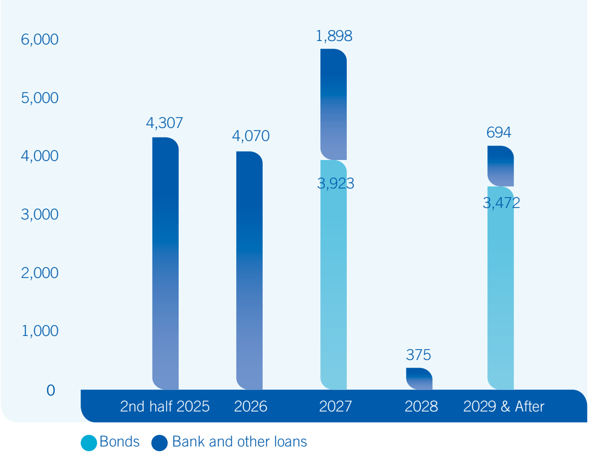
Foreign exchange risk management

As of 30 June 2025, the foreign currency borrowings of the Group's amounted to USD1,039 million (31 December 2024: USD1,039 million), equivalent to approximately RMB7,395 million (31 December 2024: RMB7,420 million), accounting for approximately 39.5% (31 December 2024: 38.0%) of the total debts. There were no significant changes compared to the end of last year, and all borrowings were long-term US dollar bonds. In respect of the US dollar bonds, the Group had hedged principal amounts totaling USD560 million (31 December 2024: USD820 million), with a hedge ratio of 53.9% (31 December 2024: 78.9%). The Group will continue to closely monitor exchange rate fluctuations and dynamically adjust its hedging strategies in response to market conditions, in order to mitigate the impact of foreign exchange risks on its financial performance.

Borrowing Structure
(RMB Million)



Debts Repayment Schedule
(RMB Million)



Net Current Liabilities

The Group's current liabilities mainly include a large amount of receipts in advance of gas fee, and construction and installation contracts. These funds are stable and will normally not be returned, therefore the Group had invested the funds in development of new projects and maintained a reasonable cash level, resulting in the Group's net current liabilities amounted to approximately RMB12,056 million as at 30 June 2025. As the Group has stable operating cash flow, high quality current assets and good credit ratings, plus sufficient cash on hand and unutilised banking facilities, the Group is able to meet its working capital requirements and future capital expenditure.

Charge on Assets

As at 30 June 2025, the Group pledged certain assets as securities for bank and other loans, bill facilities and contracts granted to the Group, in the ordinary course of business, details are set out in Note 20 to the condensed consolidated financial statements.

Significant Investments, Acquisitions and Disposals

The Group did not have any material investments held, nor material acquisition and disposal of subsidiaries, associates and affiliated companies during the period. Details of acquisition of business during the period are set out in Note 25 to the condensed consolidated financial statements.

As at the date of this report, the Group has no plans for other material investments or additions of capital assets apart from those disclosed in Note 27 to the condensed consolidated financial statements which will be financed by internal resources.

Material Events After the Reporting Date and Contingent Liabilities

Except for those disclosed under the section "Significant Events During the Reporting Period – The Proposal" in this report, there were no material events which casted material impact on the Group since the end of the reporting period, and the Group has no material contingent liabilities as at 30 June 2025.

Sustainable Development

Safety as the Foundation: Deepen digital-intelligent applications to cement the safety baseline

China attached high importance to the safe development of the gas industry and has introduced a series of enhanced regulatory policies. In the first half of 2025, the State Council's Work Safety Committee organised 22 joint investigation teams to carry out regular in-depth safety inspections within the gas sector and advance the special campaign for fundamentally strengthening workplace safety.

The Group fully implemented the guiding principle of "visible, prioritised, and well managed". Leveraging its safety intelligence map as a key tool, and through the integration of industrial operations and intelligent technologies, it developed 21 core safety capabilities, covering critical areas such as dynamic risk identification and executive-level safety accountability. In terms of hazard management, the Group continued to utilise intelligent systems to conduct safety inspections and drive the dynamic elimination of user-end risks, including stoves lacking flame failure protection, rubber hoses, and direct-discharge water heaters. For key risk prevention and control, the Group established real-time management across the entire process of hazardous operations to enable proactive prevention, refined traceability requirements to strengthen oversight of third-party construction activities, and conducted emergency drills in complex scenarios to enhance its emergency response capabilities. During the first half of the year, the Group accelerated the iteration of its safety intelligence capabilities, reinforced accountability, and advanced its long-term safety mechanisms to build a solid foundation for safe operations.

Customer-centricity: Driven by intelligence, delivering seamless service to create satisfaction

The Group has consistently adhered to its service philosophy of "customer satisfaction first", leveraging intelligent capabilities to build a comprehensive service system encompassing "all customers, all scenarios, all products, all touchpoints, and the entire customer journey". In the first half of 2025, the Group developed an intelligent predictive model for household gas services based on extensive gas usage data, enabling precise anticipation of user needs and proactive service delivery. This included sending 200 million SMS and making 1.45 million phone calls, which facilitated early warnings and timely resolution of potential safety risks. By deploying intelligent remote service robots and optimising smart dispatch algorithms, the Group significantly improved response times and on-site service punctuality. Furthermore, by integrating communication channels such as the 12345 hotline and WeChat mini-programs, the Group achieved comprehensive collection of customer feedback. This enabled the establishment of a closed-loop service supervision mechanism across all touchpoints, driving continuous enhancement of the customer service experience.

Intelligent Applications: Leveraging intelligent technologies to build and entrench industrial capabilities

In the first half of 2025, the rapid development of intelligent technologies, along with continuous improvements in model inference capabilities and multimodal technologies, facilitated the efficient and cost-effective accumulation of industry practices, thereby forming robust intelligent capabilities. The Group actively applied intelligent technologies to implement its "intelligent transformation" strategy, optimising the synergy between industrial and digital intelligence. Through collaboration between business partners and digital intelligence partners, the Group developed capabilities such as intelligent lead recommendation, customer intent analysis, customer fluctuation warning, and intelligent risk identification in the first half of the year. These intelligent capabilities have increasingly delivered value in areas such as customer acquisition, product innovation, cost reduction and efficiency enhancement, and safety assurance.

Meanwhile, the Company reinforced its information security infrastructure. In the first half of the year, the Company advanced its security defense system through a strategy of "promoting prevention through drills and driving improvement through evaluation", resulting in antivirus upgrades for 99.3% of employee terminals, the strengthening of the security of 103 key industrial control devices, and coordination with governments in 16 cities to conduct inspections and cybersecurity drills. The integration of the security system with business operations has further fortified the intelligent digitalised safety shield for operational security.

Continuous ESG Improvement: Enhancing ESG sustainability

In the first half of 2025, the Company was invited to attend the Methane Emissions Reduction Seminar in the oil and gas sector, as well as the Midstream Methane Action Group Meeting organised by the International Gas Union. These engagements highlighted the Company's strong sense of responsibility and growing influence in industry-wide emissions reduction and green, low-carbon development process. At the same time, the Company continued to reinforce its "G-R-E-A-T" strategic pillars, and advanced the implementation of its "4S" ESG strategy, which centred on "Innovation, Low Carbon, Intelligence, and Safety". Efforts were made to further enhance the ESG management framework and functional capabilities, systematically identify risk exposures across all business areas, and establish multi-tiered mitigation mechanisms. The Company completed the design of digitalised energy-carbon products, developed multi-dimensional intelligent safety models, and comprehensively consolidated ESG competitiveness through cultural integration and awareness initiatives.

The Group continued to deepen its commitment to sustainable development and received multiple key recognitions in the first half of 2025, including: a nomination for the 2025 Sedex Supply Chain Awards in the "Technology Innovation" category; a score of 3.3 in the FTSE Russell ESG Ratings; a successful third-party assurance for the 2024 Green Bond Report; and an active participation in the International Sustainability Standards Board (ISSB) "Early Adopter" Seminar. These achievements not only demonstrate the strong endorsement of the Group's outstanding ESG performance by authoritative external institutions, but also mark a solid step forward on its sustainable journey, injecting strong momentum into future deepened practices.

Ratings and Capital Market Recognition

During the period, the Company's credit rating from Standard & Poor's, Moody's and Fitch remained at "BBB+", "Baa1" and "BBB+" respectively, with a "stable" outlook. This reaffirms the Group's solid business foundation and robust financial position, showcasing its resilience.

The Group was recognised as the "Most Honoured Company" in the selection of "2025 Asia (excluding Japan, Australia, and New Zealand) Executive Team" rankings released by the internationally renowned financial publication Extel (formerly Institutional Investor). In addition, in the utilities and alternative energy category, the Group achieved top-tier rankings across multiple dimensions, receiving seven prestigious honours, namely "Best CEO", "Best CFO", "Best Company Board", "Best ESG Program", "Best Investor Relations Team", and "Best IR Professional", among others. These honours reaffirm the capital market's strong recognition of the Group's management team, investor relations performance, and its sustained efforts in environmental, social, and governance practices. Extel conducts annual evaluations of executive teams across Asia, aiming to honour outstanding companies and their leadership. The results were widely respected by the capital markets. This year's rankings included 1,669 participating companies across 18 industries, with votes cast by 4,943 buy-side investors and 951 sell-side analysts, collectively managing approximately USD2 trillion in equity assets across Asia (excluding Japan).

Human Resources

The Group had over 35,111 employees as at 30 June 2025 (30 June 2024: 34,698) based mainly in mainland China. The Group determines remuneration based on individual performance, job nature and responsibilities involved. The Group provides on-the-job training as well as optimal benefits packages for the employees, including medical welfare, retirement plans, year-end bonuses and other incentives. The Group has established share-based compensation schemes designed to motivate and reward selected employees achieve the Group's business performance targets. The Group has no material change on the above employee compensation arrangement and remuneration during the period. The Group also encourages employees to work and rest in an orderly manner, and adopt a work-life balance.

Outlook

In the second half of 2025, amid a complex and ever-changing external environment, policy direction is expected to remain anchored in stability. Existing policies will continue to exert force to reinforce the economic foundation; coordinated measures across consumption, investment, and foreign trade – the three key growth drivers – will accelerate policy implementation; and the development of a unified national market will further facilitate supply-demand circulation and stimulate momentum for industrial upgrading.

Anchored in the dual-core strategy of "demand-driven and intelligence-powered," the Group will leverage its customer base of 32.07 million households, 290,000 enterprise customers, and potential growth segments to build sustainable growth capabilities. In the natural gas business, efforts will focus on deepening engagement with existing residential customers, expanding efforts with commercial customers, and developing customised solutions for large industrial users. At the same time, the Group will optimise its resource structure and enhance operational efficiency through intelligent empowerment, reinforcing the foundational strategy of "scale-driven profitability". In the integrated energy business, the Group will seize opportunities arising from the energy-carbon transition, rapidly developing its electricity power segment through a holistic "Source-Grid-Load-Storage-Sales" model. In the smart home business, it will analyse layered customer needs to accelerate coverage of foundational products and upgrade quality services, cultivating a new engine for growth. The Group will continue to create customer value, enhance shareholder returns, and contribute to social well-being through intelligent upgrades.

DIVIDEND

Interim Dividend and Closure of Register of Members

The Board announces the payment of an interim dividend of HK$0.65 (equivalent to approximately RMB0.59) per share (30 June 2024: HK$0.65 (equivalent to approximately RMB0.59) per share) payable to shareholders of the Company whose names are on the register of members on Tuesday, 4 November 2025 (the "Record Date"), the payout ratio is approximately 21% of the Group's core profits[3] of RMB3,223 million for the period, and is expected to be paid to the shareholders on or before Friday, 28 November 2025.

a. Closure of Register of Members

For the determination of entitlement to the interim dividend of shareholders, the register of members of the Company will be closed on the day of Tuesday, 4 November 2025 and no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates should be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 3 November 2025.

b. Withholding and Payment of Enterprise Income Tax for Non-Resident Enterprises in respect of the 2025 Interim Dividend

According to the "Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management", the Enterprise Income Tax Law of the People's Republic of China (the "EIT Law") and its Detailed Rules for the Implementation, the Hebei Provincial Tax Service of the State Administration of Taxation of the People's Republic of China ("PRC") issued an approval confirmed that the Company is treated as a Chinese resident enterprise, with effect from 2022. Accordingly, when the Company distributes the 2025 interim dividend to non-resident enterprise shareholders, it shall withhold and pay 10% of the enterprise income tax.

In respect of all shareholders whose names appear on the Company's register of members as at the Record Date who are not individuals (including HKSCC Nominees Limited ("HKSCC"), corporate nominees or trustees such as securities companies and banks, and other entities or organisations, which are all considered as non-resident enterprise shareholders), the Company will distribute the 2025 interim dividend after deducting an enterprise income tax of 10%. The Company will not withhold and pay the individual income tax in respect of the 2025 interim dividend payable to any natural person shareholders whose names appear on the Company's register of members as at the Record Date.

[3] Referred to core profits from domestic business plus the relevant after-tax profit from wholesale of gas (overseas sales).

If any resident enterprise (as defined in the EIT Law) listed on the Company's register of members as at the Record Date does not desire to have the Company withholding and paying the said 10% enterprise income tax, it shall lodge with Computershare Hong Kong Investor Services Limited documents from its governing tax authority confirming that the Company is not required to withhold and pay the enterprise income tax in respect of the dividends that it is entitled to, not later than 4:30 p.m. on Monday, 3 November 2025. Reference is made to the circular issued by Hong Kong Securities Clearing Company Limited on 29 July 2009 regarding the withholding and payment of enterprise income tax for overseas non-resident enterprise shareholders by domestic enterprises of the PRC and Chinese-controlled offshore incorporated enterprises. If investor participants, who are individuals or resident enterprises (as defined in the EIT Law and the relevant policies and regulations; and as stated in the enterprises' relevant announcements), do not wish enterprise income tax to be withheld from the dividend payable to them, they may consider withdrawing their shares from HKSCC and transferring the legal title of the relevant shares into their own name by the latest registration date as stipulated by the relevant enterprises. If anyone would like to change the identity of the holders in the register of members, please enquire about the relevant procedures with the nominees or trustees.

As stated in the Company's announcement dated 30 June 2022 regarding the withholding and payment of enterprise income tax for non-resident enterprises. All investors who invest in the shares of the Company through the Shanghai Stock Exchange or the Shenzhen Stock Exchange (the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect investors), whether natural persons or enterprises, are investors who hold shares of the Company through HKSCC, and the Company will pay to HKSCC the dividend amount of the relevant year after withholding 10% enterprise income tax in accordance with the abovementioned requirements. If investors meet the criteria outlined in the "Notice on the Pilot Program of the Shanghai-Hong Kong Stock Market Connect Mechanism Regarding Tax Policies (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2014] No. 81)", tax credit may be applied based on specific circumstances and in accordance with Article 1, item numbers (3) and (4) of the "Notice on the Tax Policies Related to the Pilot Program of Shenzhen-Hong Kong Stock Market (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2016] No.127)". If investors do not wish for the dividend income they receive to be subject to withholding and payment of enterprise income tax, they should submit a shareholding balance certificate issued by China Securities Depository and Clearing Corporation Limited ("CSDC") to the Company within 10 days before the expected dividend payment date (i.e. 28 November 2025), and subsequently submit a dividend receipt certificate issued by CSDC after the dividend distribution, then, after the Company completes the declaration for withholding and payment of tax with the Hebei Provincial Tax Bureau of the State Administration of Taxation of China, the Company will arrange for a refund of the withheld enterprise income tax to the investor as soon as possible. Investors are required to file and pay taxes on their own initiative.

The Company will withhold and pay the enterprise income tax for its non-resident enterprise shareholders strictly in accordance with the relevant laws and requirements of the relevant government departments and adhere strictly to the information set out in the Company's register of members on the Record Date. The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of withholding and payment of enterprise income tax.

The address of Computershare Hong Kong Investor Services Limited is Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company is committed to high-quality corporate governance practices, so the Board and the management of the Company have been continuously reviewing and enhancing the corporate governance practices with reference to local and international standards. Since its listing on the Stock Exchange, the Company has adopted the Code of Corporate Governance (the "CG Code") as contained in the relevant appendix to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its main guidelines for corporate governance practices. The Company also continues to monitor developments in the area of corporate governance externally to ensure the suitability and robustness of its corporate governance framework in light of the rapidly changing business environment and to meet the expectations of stakeholders. The Company values shareholders' opinion, the Chairman of the Board (the "Chairman") and chairpersons of the Board committees also attended the Company's Annual General Meeting (the "AGM") held on 23 May 2025 to answer the questions raised by shareholders.

To the knowledge of the Board, the Company has complied with the Code Provisions set out in the CG Code as contained in Appendix C1 to the Listing Rules during the six months ended 30 June 2025.

Environmental, Social and Governance Responsibilities

The Group has always adopted a proactive approach to Environmental, Social and Governance ("ESG") responsibilities, and it has established an ESG Committee in 2019 which is currently comprising six directors to regularly review, formulate and update the Group's ESG policies and practices so as to achieve the Company's long-term ESG goals. The Company is committed to improving the management of ESG, actively responding to the topics concerned by the capital market, and constantly integrating ESG culture and strategies into its daily operation. During the period, Morgan Stanley Capital International (MSCI), a prestige ESG rating agency, continued to maintain the Company's ESG rating at AA grade. In addition, the Group also formulated a policy in 2021 stating that unless there is a special reason or the low attendance rate is due to a small number of meetings, the attendance rate of the directors in the Board meetings and committee meetings of the Company should not be less than 75%, which is to ensure that the directors devote sufficient time to the Company's affairs. For the six months ended 30 June 2025, the attendance rate of each director of the Company met the requirements of the policy.

Audit Committee

The Company had established an Audit Committee in accordance with requirements under the Listing Rules, to review together with the management of the Company the accounting principles and practices adopted by the Group and to discuss auditing, internal control, risk management and financial reporting matters. The Audit Committee also maintains an appropriate relationship with the Company's independent auditor and provides advice and comments to the Board.

Deloitte Touche Tohmatsu, the Company's independent auditor, has carried out a review of the unaudited interim financial report of the Group for the six months ended 30 June 2025 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. The Company's Audit Committee meeting was held on 25 August 2025 to review the Group's unaudited interim results and interim financial report for the six months ended 30 June 2025.

The re-appointment of Deloitte Touche Tohmatsu as the Company's independent auditor for the financial year ending 31 December 2025 was approved by shareholders with support of over 98% of the votes at the AGM.

Board of Directors

As at 30 June 2025, the composition of the Board is set out below:

Executive Directors	Non-executive Director	Independent Non-executive Directors
Mr. Wang Yusuo (Chairman)	Mr. Wang Zizheng	Mr. Ma Zhixiang
Mr. Zhang Yuying (Chief Executive Officer)		Mr. Yuen Po Kwong
Mr. Gong Luojian (President)		Mr. Law Yee Kwan, Quinn
Mr. Wang Dongzhi (Chief Financial Officer)		Ms. Wong Lai, Sarah
Ms. Zhang Jin		
Ms. Su Li		

The directors of the Company subject to re-election at the 2025 AGM, namely Mr. Gong Luojian, Mr. Wang Dongzhi, Ms. Zhang Jin, Ms. Su Li, Mr. Ma Zhixiang and Mr. Yuen Po Kwong all had majority votes for their re-election as directors in the AGM.

Changes in Information of Directors

On 25 April 2025, Mr. Gong Luojian was appointed as a non-executive director of Huzhou Gas Co., Ltd.* (stock code: 6661.HK), an associate of the Company.

On 4 July 2025, Ms. Wong Lai, Sarah was appointed as a member of the Listing Review Committee of the Stock Exchange.

Save as disclosed above, no changes in information of the directors of the Company that is required to be disclosed under Rule 13.51B(1) of the Listing Rules since the date of the Company's 2024 Annual Report.

Compliance with the Model Code

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") set out in Appendix C3 to the Listing Rules as the code of conduct for securities transactions by the directors of the Company. In response to a specific enquiry by the Company, all directors of the Company confirmed that they have complied with the required standards set out in the Model Code and its code of conduct during the six months ended 30 June 2025.

Senior management and staff who, because of their office in the Company, are likely to be in possession of inside information (which term shall bear the same meaning as in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) of the Company, have also been requested to comply with the provisions of the Model Code.

* For identification purpose only

Disclosure of the Directors' Interests

Directors' interests and short positions in shares, underlying shares and debentures

As at 30 June 2025, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of Part XV of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules, were as follows:

(a) The Company

Name of Director	Capacity	Personal interests	Corporate interests	Interests in share options	Interest in Awarded Shares (Note 2)	Total interests	Approximate percentage of the Company's total issued share capital
Wang Yusuo ("Mr. Wang")	Interest of controlled corporation	–	387,768,034 (Note 1)	–	–	387,768,034	34.28%
Zhang Yuying	Beneficial owner	10,000	–	80,925	80,000	170,925	0.02%
Gong Luojian	Beneficial owner	–	–	130,000	–	130,000	0.01%
Wang Dongzhi	Beneficial owner	25,800	–	106,700	–	132,500	0.01%
Zhang Jin	Beneficial owner	–	–	115,000	–	115,000	0.01%
Su Li	Beneficial owner	6,000	–	108,900	–	114,900	0.01%
Ma Zhixiang	Beneficial owner	–	–	60,000	–	60,000	0.01%
Yuen Po Kwong	Beneficial owner	–	–	60,000	–	60,000	0.01%
Law Yee Kwan, Quinn	Beneficial owner	–	–	44,000	–	44,000	0.00%

Notes:

1. Such shares are beneficially owned by Mr. Wang and Ms. Zhao Baoju ("Ms. Zhao"), the spouse of Mr. Wang through their controlled corporations, including ENN Yingchuang Technology Co., Ltd. ("EYCT"), Langfang City Natural Gas Company Limited ("LCNG"), ENN Capital Management Co., Ltd. ("ECM"), ENN Investment Holdings Company Limited ("EIH"), ENN Group International Investment Limited ("EGII"), ENN Natural Gas Co., Ltd. ("ENN-NG") and Xinneng (Hong Kong) Energy Investment Limited ("Xinneng HK").

2. Awarded Shares refer to shares of the Company granted under Share Award Scheme adopted by the Company on 30 November 2018.

3. As at 30 June 2025, the Company had 1,131,252,275 shares in issue.

Details of the directors' interests in share options and Awarded Shares granted by the Company are set out under the heading "Share-based Compensation Scheme" in this report.

Disclosure of the Directors' Interests *(continued)*

Directors' interests and short positions in shares, underlying shares and debentures *(continued)*

(b) The shares of the associated corporation

Company Name	Name of Director	Capacity	Number of shares	Subscribed share capital RMB	Percentage of share capital
EYCT*	Mr. Wang	Beneficial owner (Note 1)	–	50 million	100%
LCNG*	Mr. Wang	Beneficial owner and interest of controlled corporation (Note 1)	–	123 million	100%
ECM*	Mr. Wang	Interest of controlled corporation	–	1,200 million	100%
EIH*	Mr. Wang	Beneficial owner and interest of controlled corporation (Note 1)	8,000,000,000	–	100%
EGII	Mr. Wang	Interest of controlled corporation	1,000	–	100%
ENN-NG	Mr. Wang	Beneficial owner and interest of controlled corporation	2,243,499,808	–	72.44%
Xinneng HK	Mr. Wang	Interest of controlled corporation	2,132,377,984	–	72.44%
Beijing Xinyi Aite Culture and Technology Company Limited*	Mr. Wang	Beneficial owner and interest of controlled corporation	–	800 million	80%
Xinyi Theater (Langfang) Culture Development Company Limited*	Mr. Wang	Beneficial owner and interest of controlled corporation	–	10 million	100%
ENN Group Co., Ltd.*	Mr. Wang	Beneficial owner and interest of controlled corporation	7,476,603,935	–	99.69%
Yicheng Yijia Internet Technology Company Limited*	Wang Zizheng	Beneficiary of a trust	–	6.93 million	1%

* For identification purpose only

Disclosure of the Directors' Interests *(continued)*

Directors' interests and short positions in shares, underlying shares and debentures *(continued)*

(b) The shares of the associated corporation (continued)

Company Name	Name of Director	Capacity	Number of shares	Subscribed share capital RMB	Percentage of share capital
Xin'ao Data IT Company Limited*	Wang Zizheng	Beneficial owner and interest of controlled corporation	–	500 million	8%
ENN-NG	Zhang Yuying	Beneficial owner (Note 2)	1,450,000	–	0.05%
ENN-NG	Gong Luojian	Beneficial owner (Note 2)	347,500	–	0.01%
ENN-NG	Wang Dongzhi	Beneficial owner (Note 2)	525,000	–	0.02%
ENN-NG	Zhang Jin	Beneficial owner (Note 2)	682,500	–	0.02%
ENN-NG	Su Li	Beneficial owner (Note 2)	1,145,000	–	0.04%

Notes:

1. Such shares are beneficially owned by Mr. Wang and Ms. Zhao.

2. Such interests refer to the restricted shares of ENN-NG granted and to be issued to them pursuant to the restricted share award scheme adopted by the company on (1) 26 March 2021; and (2) 18 February 2025. These restricted shares are subject to the restrictions on sale of the scheme and shall be lifted in batches according to the relevant terms after meeting the conditions for lifting the restrictions. Details of the scheme are set out in the announcements of ENN-NG (stock code: 600803.SH) dated (1) 21 January 2021, 9 February 2021 and 26 March 2021; and (2) 22 January 2025, 6 February 2025 and 18 February 2025, respectively.

(c) The debenture of the Company

Name of the Debenture	Name of Director	Capacity	Capital USD
2.625% Green Senior Notes Due 2030 (Stock Code: 40383)	Mr. Wang	Interest of controlled corporation (Note)	30,024,000

Note: Such debentures are beneficially owned by Mr. Wang, through his controlled corporations, including EYCT, LCNG, ECM, EIH, EGII, ENN-NG and Xinneng HK.

* For identification purpose only

Disclosure of the Directors' Interests *(continued)*

Directors' interests and short positions in shares, underlying shares and debentures *(continued)*

(c) The debenture of the Company (continued)

Save as disclosed above, as at 30 June 2025, there were no other interests or short positions of the directors and chief executives 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) in the register maintained by the Company pursuant to section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules.

Share-based Compensation Scheme

The Company operates share option schemes ("Share Option Schemes") and share award scheme ("Share Award Scheme") for the purpose of attracting, retaining and incentivising major employees. The eligible persons for the schemes are employees (including directors) and business consultants who contributed to the success of the Group. The Company has also formulated Shares and Options Management Regulations as the Company's management guidelines for granting share options and Awarded Shares. The purpose of this management regulations refers to the implementation of the Company's concept of value sharing, co-creation and sharing, aligning the interests of selected persons and shareholders, focusing on the Company's medium and long-term business, and promoting the long-term sustainable development of the group. The Board may, depending on the circumstances, impose any conditions, restrictions or limitations it may at its absolute discretion think fit when making an offer. With regard to the Share Option Schemes, grantees have a period of 28 days from the proposed grant date to accept the share options. Upon acceptance, grantees are required to pay HK$1 to the Company. Grantees who intend to accept the Awarded Shares from the Company submit the acceptance form within 5 business days from the proposed grant date.

The number of share options granted to employees (including directors) and business consultants under the Share Option Schemes depends on their roles. Three to four years as a cycle, and the granted share options would be vested equally in three or four years. If the roles of the employees (including directors) and business consultants granted during the cycle are adjusted or their evaluation results exceed expectations or there are newly selected participants, the Company may grant them Awarded Shares as a supplement, the vesting conditions and mechanisms will be consistent with the Share Option Schemes. The Chairman and non-executive directors of the Company do not have performance targets, but they must be remained employed by the company by the time of vesting. Moreover, other directors and employees are subject to performance targets. The performance targets cover both financial indicators and non-financial indicators, among them, financial indicators mainly include sales revenue, net profit, and per capita profit, while non-financial indicators include sales volume, capacity building, industrial coordination, risk management and control. Those performance targets are formulated and allocated based on the Group's long-term development goals, annual guidance and prioritised works. The performance target is set at the beginning of each year and strictly appraised at the beginning of the following year. In case of failure to meet the performance targets, unless in the discretion of the Board, the share options would be lapsed.

The Company's Shares and Options Management Regulations has a return/withdrawal mechanism. The regulations state that if the grantee makes mistakes, errors, omissions, breaks rules or commits frauds during the performance of his duties, depending to the extent of loss brought to the Company and the seriousness, to decide whether to take action to return/withdraw current year's or unvested share options and/or Awarded Shares. In addition, the share options and/or Awarded Shares may be lapsed for other reasons such as resignation, dismissal and job re-designation.

Share-based Compensation Scheme *(continued)*

Share Option Scheme

2012 Scheme

The Company has adopted the "2012 Scheme" of the Share Option Scheme pursuant to an ordinary resolution passed at an AGM of the Company held on 26 June 2012. Pursuant to the 2012 Scheme, the Company granted 12,000,000 share options ("2012 Scheme – Batch 1") and 12,328,000 share options ("2012 Scheme – Batch 2") on 9 December 2015 and 28 March 2019 respectively to employees (including directors) and business consultants who contributed to the success of the Group.

The 2012 scheme was early terminated by passing an ordinary resolution at the AGM held on 18 May 2022. Thereunder, no further options will be granted under the 2012 Scheme. Accordingly, the number of share options that may be granted under the 2012 Scheme as at 1 January 2025 and 30 June 2025 was nil; however, the rules of the 2012 Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its termination or otherwise as may be required in accordance with the rules of the 2012 Scheme. Therefore, the termination of the 2012 Scheme will not in any event affect the terms of the grant of such outstanding options that has already been granted under the 2012 Scheme and the below outstanding options granted under the 2012 Scheme shall continue to be subject to the provisions of the 2012 Scheme.

The following table discloses details of the Company's share options held by the employees (including directors), business consultants and other eligible participants and their movement in such holdings under the 2012 Scheme during the period:

Scheme/Grantee	Date of grant	Exercise period (Note 1)	Exercise price (HK$)	Outstanding as at 1 January 2025	Exercised during the period (Note 5)	Lapsed during the period	Cancelled during the period	Reclassified during the period	Outstanding as at 30 June 2025 (Note 4)
2012 Scheme – Batch 1									
Directors	09.12.2015	01.04.2017–08.12.2025	40.34	15,000	–	–	(15,000)	–	–
	09.12.2015	01.04.2018–08.12.2025	40.34	15,000	–	–	(15,000)	–	–
	09.12.2015	01.04.2019–08.12.2025	40.34	15,000	–	–	(15,000)	–	–
	09.12.2015	01.04.2020–08.12.2025	40.34	15,525	–	–	(15,000)	–	525
Employees	09.12.2015	01.04.2017–08.12.2025	40.34	68,250	-	–	–	–	68,250
	09.12.2015	01.04.2018–08.12.2025	40.34	91,824	(500)	–	–	–	91,324
	09.12.2015	01.04.2019–08.12.2025	40.34	139,650	(5,000)	–	–	–	134,650
	09.12.2015	01.04.2020–08.12.2025	40.34	317,986	(22,500)	–	–	–	295,486
Sub-total				678,235	(28,000)	–	(60,000)	–	590,235

Share-based Compensation Scheme *(continued)*

Share Option Scheme *(continued)*

2012 Scheme (continued)

Scheme/Grantee	Date of grant	Exercise period (Note 1)	Exercise price (HK$)	Outstanding as at 1 January 2025	Exercised during the period (Note 5)	Lapsed during the period	Cancelled during the period	Reclassified during the period	Outstanding as at 30 June 2025 (Note 4)
2012 Scheme – Batch 2									
Directors	28.3.2019	01.04.2020–27.03.2029	76.36	15,000	–	–	–	(15,000)	–
	28.3.2019	01.04.2021–27.03.2029	76.36	113,500	–	–	(20,000)	(34,500)	59,000
	28.3.2019	01.04.2022–27.03.2029	76.36	371,200	–	–	(180,000)	33,100	224,300
	28.3.2019	01.04.2023–27.03.2029	76.36	530,900	–	–	(180,000)	70,800	421,700
Employees	28.3.2019	01.04.2020–27.03.2029	76.36	113,800	–	–	-	–	113,800
	28.3.2019	01.04.2021–27.03.2029	76.36	988,075	–	(39,000)	(26,500)	19,500	942,075
	28.3.2019	01.04.2022–27.03.2029	76.36	1,296,824	–	(39,000)	(26,700)	(48,100)	1,183,024
	28.3.2019	01.04.2023–27.03.2029	76.36	1,560,392	–	(57,000)	(26,700)	(85,800)	1,390,892
Business Consultants	28.3.2019	01.04.2020–27.03.2029	76.36	65,500	–	–	–	–	65,500
	28.3.2019	01.04.2021–27.03.2029	76.36	104,000	–	–	–	–	104,000
	28.3.2019	01.04.2022–27.03.2029	76.36	117,500	–	–	–	–	117,500
	28.3.2019	01.04.2023–27.03.2029	76.36	104,000	–	–	–	–	104,000
Other eligible participants	28.3.2019	01.04.2020–27.03.2029	76.36	15,000	–	–	–	–	15,000
(Note 3)	28.3.2019	01.04.2021–27.03.2029	76.36	15,000	–	–	–	–	15,000
	28.3.2019	01.04.2022–27.03.2029	76.36	15,000	–	–	–	–	15,000
	28.3.2019	01.04.2023–27.03.2029	76.36	15,000	–	–	–	–	15,000
	28.3.2019	01.04.2020–24.08.2025	76.36	–	–	–	–	15,000	15,000
	28.3.2019	01.04.2021–24.08.2025	76.36	–	–	–	–	15,000	15,000
	28.3.2019	01.04.2022–24.08.2025	76.36	–	–	–	–	15,000	15,000
	28.3.2019	01.04.2023–24.08.2025	76.36	–	–	–	–	15,000	15,000
Sub-total				5,440,691	–	(135,000)	(459,900)	–	4,845,791
Total				6,118,926	(28,000)	(135,000)	(519,900)	–	5,436,026

Notes:

1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

2. "Period" refers to the period from 1 January 2025 to 30 June 2025.

3. As at 30 June 2025, the share options were held by two resigned former employees who also served as directors. Of these, 60,000 share options had their expiry date extended to 27 March 2029 at the Board's discretion. The remaining 60,000 share options belonged to Mr. Liu Jianfeng. These share options have vested but remained unexercised, and will lapse six months after the termination of his employment in accordance with the Share Option Schemes.

4. As at 30 June 2025, a total number of 5,436,026 shares, representing approximately 0.48% of the weighted average number of shares of the Company in issue are available for issue under the 2012 Scheme. Except the Chairman and the independent non-executive directors, the vesting of certain part of the share options is subject to the fulfilment of performance target.

5. The weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised is approximately HK$64.47. During the period, the Company has received a total of HK$1,129,520 from the exercise of the share options by the grantees.

Further details of the 2012 Scheme are set out in Note 23 to the condensed consolidated financial statements.

Share-based Compensation Scheme *(continued)*

Share Option Scheme *(continued)*

2022 Scheme

The Company has adopted the "2022 Scheme" of the Share Option Schemes pursuant to an ordinary resolution passed at an AGM of the Company held on 18 May 2022. The 2022 Scheme will remain in force for 10 years. As at 30 June 2025, the remaining life of the 2022 Scheme is approximately 6.8 years. The Company may grant up to 56,507,503 share options, representing 5% of the number of shares of the Company, in issue as at the date the 2022 Scheme was approved. The maximum entitlement of share options each participant under 2022 Scheme, within any 12-month period up to and including the date of grant, would result in the aggregated number of Shares issued and to be issued upon exercise of the share options already granted and to be granted to such participant not exceeding 1% or 0.1% (depending on the participant) of the Shares in issue for the time being. Otherwise, any further grant of share options must be approved by the Shareholders in general meeting. Since the date of adoption of the 2022 Scheme and up to the date of this report, no share options have been granted by the Company under the 2022 Scheme. As at 1 January 2025 and 30 June 2025, the number of share options could be granted by the Company under the 2022 Scheme was 56,507,503, representing approximately 5% of the total issued shares of the Company as at the reporting date. No sublimit for service providers was set under the 2022 Scheme.

For further details of the 2022 Scheme, including a summary of the principal terms of the share option scheme, please refer to the circular issued by the Company on 6 April 2022.

Directors' rights to acquire share

Pursuant to the above Share Option Scheme, the Company has granted rights to subscribe for the Company's ordinary shares in favour of certain directors of the Company. The interest of each director and chief executive in the share options of the Company as at 30 June 2025 were as follows:

Name of director	Date of grant	Exercise period (Note 1)	Exercise price (HK$)	Outstanding as at 1 January 2025	Exercised during the period	Lapsed during the period	Cancelled during the period	Reclassified during the period	Outstanding as at 30 June 2025
Wang Yusuo	28.03.2019	01.04.2022–27.03.2029	76.36	160,000	–	–	(160,000)	–	–
	28.03.2019	01.04.2023–27.03.2029	76.36	160,000	–	–	(160,000)	–	–
Zhang Yuying (Note 3)	09.12.2015	01.04.2020–08.12.2025	40.34	525	–	–	–	–	525
	28.03.2019	01.04.2022–27.03.2029	76.36	13,700	–	–	–	–	13,700
	28.03.2019	01.04.2023–27.03.2029	76.36	66,700	–	–	–	–	66,700
Liu Jianfeng (Notes 3 & 4)	28.03.2019	01.04.2020–27.03.2029	76.36	15,000	–	–	–	(15,000)	–
	28.03.2019	01.04.2021–27.03.2029	76.36	15,000	–	–	–	(15,000)	–
	28.03.2019	01.04.2022–27.03.2029	76.36	15,000	–	–	–	(15,000)	–
	28.03.2019	01.04.2023–27.03.2029	76.36	15,000	–	–	–	(15,000)	–
Gong Luojian (Notes 3 & 5)	28.03.2019	01.04.2021–27.03.2029	76.36	–	–	–	–	10,000	10,000
	28.03.2019	01.04.2022–27.03.2029	76.36	–	–	–	–	60,000	60,000
	28.03.2019	01.04.2023–27.03.2029	76.36	–	–	–	–	60,000	60,000
Wang Dongzhi (Note 3)	28.03.2019	01.04.2023–27.03.2029	76.36	106,700	–	–	–	–	106,700
Zhang Jin (Note 3)	28.03.2019	01.04.2021–27.03.2029	76.36	5,000	–	–	–	–	5,000
	28.03.2019	01.04.2022–27.03.2029	76.36	55,000	–	–	–	–	55,000
	28.03.2019	01.04.2023–27.03.2029	76.36	55,000	–	–	–	–	55,000

Share-based Compensation Scheme *(continued)*

Directors' rights to acquire share *(continued)*

Name of director	Date of grant	Exercise period (Note 1)	Exercise price (HK$)	Outstanding as at 1 January 2025	Exercised during the period	Lapsed during the period	Cancelled during the period	Reclassified during the period	Outstanding as at 30 June 2025
Jiang Chenghong (Notes 3 & 6)	28.03.2019	01.04.2021–27.03.2029	76.36	29,500	–	–	–	(29,500)	–
	28.03.2019	01.04.2022–27.03.2029	76.36	47,500	–	–	–	(47,500)	–
	28.03.2019	01.04.2023–27.03.2029	76.36	47,500	–	–	–	(47,500)	–
Su Li (Notes 3 & 5)	28.03.2019	01.04.2022–27.03.2029	76.36	–	–	–	–	35,600	35,600
	28.03.2019	01.04.2023–27.03.2029	76.36	–	–	–	–	73,300	73,300
Wang Zizheng	09.12.2015	01.04.2017–08.12.2025	40.34	15,000	–	–	(15,000)	–	–
	09.12.2015	01.04.2018–08.12.2025	40.34	15,000	–	–	(15,000)	–	–
	09.12.2015	01.04.2019–08.12.2025	40.34	15,000	–	–	(15,000)	–	–
	09.12.2015	01.04.2020–08.12.2025	40.34	15,000	–	–	(15,000)	–	–
	28.03.2019	01.04.2021–27.03.2029	76.36	20,000	–	–	(20,000)	–	–
	28.03.2019	01.04.2022–27.03.2029	76.36	20,000	–	–	(20,000)	–	–
	28.03.2019	01.04.2023–27.03.2029	76.36	20,000	–	–	(20,000)	–	–
Ma Zhixiang	28.03.2019	01.04.2021–27.03.2029	76.36	20,000	–	–	–	–	20,000
	28.03.2019	01.04.2022–27.03.2029	76.36	20,000	–	–	–	–	20,000
	28.03.2019	01.04.2023–27.03.2029	76.36	20,000	–	–	–	–	20,000
Yuen Po Kwong	28.03.2019	01.04.2021–27.03.2029	76.36	20,000	–	–	–	–	20,000
	28.03.2019	01.04.2022–27.03.2029	76.36	20,000	–	–	–	–	20,000
	28.03.2019	01.04.2023–27.03.2029	76.36	20,000	–	–	–	–	20,000
Law Yee Kwan, Quinn	28.03.2019	01.04.2021–27.03.2029	76.36	4,000	–	–	–	–	4,000
	28.03.2019	01.04.2022–27.03.2029	76.36	20,000	–	–	–	–	20,000
	28.03.2019	01.04.2023–27.03.2029	76.36	20,000	–	–	–	–	20,000
Total				1,091,125	–	–	(440,000)	54,400	705,525

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.

2. "Period" refers to the period from 1 January 2025 to 30 June 2025.

3. The vesting of share options is subject to the fulfilment of performance target.

4. Mr. Liu Jianfeng resigned as an executive director of the Company on 25 February 2025 and his share options shall be lased at the expiration of 6 months after the date of cessation of employment in accordance with the Share Options Scheme. As he was no longer a director of the Company, the share options held by him were reclassified from the category of grantees under "Directors" to "Other eligible participants".

5. Both Mr. Gong Luojian and Ms. Su Li were appointed as executive directors of the Company on 25 February 2025, therefore, the share options held by them were reclassified from being held by "Employees" to being held by "Directors".

6. Mr. Jiang Chenghong resigned from his position as an executive director of the Company on 25 February 2025, therefore, the share options held by him were reclassified from being held by "Directors" to being held by "Employees".

Save as disclosed above, no share option was granted, vested, exercised, lapsed and/or cancelled, and no share option granted was in excess of 1% or 0.1% individual limit (depending on the participant) under the 2012 Scheme during the Period.

Share-based Compensation Scheme *(continued)*

Share Award Scheme

On 30 November 2018, the Company adopted the Share Award Scheme under which the shares of the Company may be granted to selected employees (including but not limited to, any executive directors and non-executive directors) of any members of the Group (the "Selected Employees") pursuant to the terms of the Share Award Scheme and the trust deed of the Share Award Scheme. As discussed above, the Share Award Scheme is mainly used as a supplement to the Share Option Schemes. The Share Award Scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for 10 years from the date. As at 30 June 2025, the remaining life of the Share Award Scheme is approximately 3.3 years.

The aggregate number of Awarded Shares permitted to be granted under the Share Award Scheme is limited to 5% of the issued share capital of the Company from time to time. The maximum number of Awarded Share which may be awarded to each Selected Employee shall not in aggregate over 1% of the issued share capital of the Company from time to time.

When a Selected Employee has satisfied all vesting conditions, which might include service and/or performance conditions, specified by the Board at the time of making the award and become entitled to the shares of the Company forming the subject of the award, the trustee of the Company's Share Award Scheme (the "Trustee") shall transfer the relevant Awarded Shares to that employee at once.

As at 30 June 2025, there were 19,984,600 shares of the Company held in the trust under the Share Award Scheme, approximately 1.77% of the issued share capital of the Company. As at 30 June 2025, the Company has cumulatively granted notional gain of 928,600 Awarded Shares to certain outperformed employees under the scheme to reflect their changes in roles and commitment subsequent to the grant of share options to them under the 2012 Scheme. The Award Prices were also HK$76.36, and the vesting of the notional gains (if any) were subject to the fulfillment of their respective performance targets. These notional gains will not be converted to shares of the Company. As at 30 June 2025, notional gains of 379,000 Awarded Shares remain deferred and outstanding.

The following table discloses details of the Company's Awarded Shares held by the Selected Employees (including directors) and other eligible participants and their movement in such holdings during the period:

Grantee	Financial year to which the performance targets relate (Note 1)	Exercise Period (Note 3)	Award price (HK$) (Note 2)	Outstanding as at 1 January 2025	Granted during the period	Vested during the period (Note 4)	Lapsed during the period	Cancelled during the period	Reclassified during the period	Outstanding as at 30 June 2025
Directors	2020	01.04.2021–27.03.2029	76.36	40,000	–	–	–	–	(40,000)	–
	2021	01.04.2022–27.03.2029	76.36	80,000	–	–	–	–	(40,000)	40,000
	2022	01.04.2023–27.03.2029	76.36	80,000	–	–	–	–	(40,000)	40,000
Employees	2020	01.04.2021–27.03.2029	76.36	84,500	–	–	(25,000)	–	–	59,500
	2021	01.04.2022–27.03.2029	76.36	81,500	–	–	(27,000)	–	–	54,500
	2022	01.04.2023–27.03.2029	76.36	65,000	–	–	–	–	–	65,000
Other eligible participants (Note 6)	2020	01.04.2021–24.08.2025	76.36	–	–	–	–	–	40,000	40,000
	2021	01.04.2022–24.08.2025	76.36	–	–	–	–	–	40,000	40,000
	2022	01.04.2023–24.08.2025	76.36	–	–	–	–	–	40,000	40,000
Total				431,000	–	–	(52,000)	–	–	379,000

Share-based Compensation Scheme *(continued)*

Share Award Scheme *(continued)*

Notes:

1. Such Awarded Shares were granted during the period from 2 September 2020 to 5 March 2021 to employees (including directors of the Company), which were intended to recognise the role changes and/or outstanding performance of existing grantees under the 2012 Scheme – Batch 2, as well as to include newly selected participants during that grant cycle. As Awarded Shares act as a supplement to Share Option Schemes, multiple grants may occur during the financial year, however the financial year to which the performance targets relate is consistent with respect to the Share Option Schemes.
2. The award price is the exercise price of vesting the Awarded Shares by the Selected Employees, which is consistent with the exercise price of share options granted in 2012 Scheme – Batch 2.
3. Notional gains of the Awarded Shares can be vested to the grantees as early as on 1 April in the year following the financial year to which the respective performance conditions relate, or they can opt for deferral of vesting of the notional gains which should not be later than 27 March 2029. Hence, the vesting periods of these Awarded Shares are from the date of grant to the respective vesting dates.
4. Notional gains vested during the period were paid out of the funds in the designated account under the Share Award Scheme.
5. "Period" refers to the period from 1 January 2025 to 30 June 2025.
6. These Awarded Shares are owned by a resigned employee of the Company (former director). Such Awarded Shares have vested but not been exercised when he resigned. As at 30 June 2025, all of them belong to Mr. Liu Jianfeng, a former director of the Company.
7. No Award Shares were cancelled, and no Awarded Shares were granted or vested by the Company under the Scheme during the period.

The interest of each director and chief executive in the Awarded Shares of the Company as at 30 June 2025 were as follows:

Grantee	Financial year to which the performance targets relate	Exercise period (Note 3)	Award price (HK$)	Outstanding as at 1 January 2025	Granted during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Reclassified during the period	Outstanding as at 30 June 2025
Zhang Yuying (Note 2)	2021	01.04.2022–27.03.2029	76.36	40,000	–	–	–	–	–	40,000
	2022	01.04.2023–27.03.2029	76.36	40,000	–	–	–	–	–	40,000
Liu Jianfeng (Notes 2 & 4)	2020	01.04.2021–27.03.2029	76.36	40,000	–	–	–	–	(40,000)	–
	2021	01.04.2022–27.03.2029	76.36	40,000	–	–	–	–	(40,000)	–
	2022	01.04.2023–27.03.2029	76.36	40,000	–	–	–	–	(40,000)	–
Total				200,000	–	–	–	–	(120,000)	80,000

Notes:

1. "Period" refers to the period from 1 January 2025 to 30 June 2025.
2. The vesting of Awarded Shares is subject to the fulfilment of performance targets.
3. The exercise period of their Awarded Shares are aligned with 2012 Scheme – Batch 2.
4. Mr. Liu Jianfeng resigned as an executive director of the Company on 25 February 2025 and his Awarded Shares shall be lased at the expiration of 6 months after the date of cessation of employment in accordance with the Share Award Scheme. As he was no longer a director of the Company, the Awarded Shares held by him were reclassified from "Directors" to "Other eligible participants".

Save as disclosed above, at no time during the period was the Company or its subsidiaries a party to any arrangements to enable the directors or the chief executives or any of their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, underlying shares or debentures of, the Company or any other body corporate.

The Company has not cancelled any Awarded Shares since its adoption of the Share Award Scheme in 2018. Save as disclosed above, no Awarded Share was granted, vested, lapsed and/or forfeited under the Share Award Scheme, and no Awarded Shares granted were in excess of the 1% of the total number of issued shares during the period.

Disclosure of the Substantial Shareholders' Interests

As at 30 June 2025, the interests and short positions of every person, other than directors of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of Part XV of the SFO were as follows:

Name of shareholder	Capacity	Corporate interests	Total aggregate interests in shares and underlying shares (Note 7)	Approximate percentage of the Company's total issued share capital
Mr. Wang	Interest of controlled corporation	387,768,034 (Notes 1, 2, 3, 4 & 5)	387,768,034 (L)	34.28%
Ms. Zhao	Interest of controlled corporation	387,768,034 (Notes 1, 2, 3, 4 & 5)	387,768,034 (L)	34.28%
EYCT*	Interest of controlled corporation	387,768,034 (Notes 1, 2, 3 & 4)	387,768,034 (L)	34.28%
LCNG*	Interest of controlled corporation	387,768,034 (Notes 1, 2 & 3)	387,768,034 (L)	34.28%
ECM*	Interest of controlled corporation	387,768,034 (Notes 1, 2 & 3)	387,768,034 (L)	34.28%
EIH*	Interest of controlled corporation	387,768,034 (Notes 1 & 2)	387,768,034 (L)	34.28%
EGII	Interest of controlled corporation	387,768,034 (Note 1)	387,768,034 (L)	34.28%
ENN-NG	Interest of controlled corporation	387,768,034 (Note 1)	387,768,034 (L)	34.28%
Xinneng HK	Beneficial owner	387,768,034 (Note 1)	387,768,034 (L)	34.28%
Citigroup Inc.	Interest of controlled corporation, person having a security interest in shares and approved lending agent	57,176,148	57,176,148 (L) (including 1,376,133 (S) 55,477,891 (P)) (Note 6)	5.05%

* For identification purpose only

Disclosure of the Substantial Shareholders' Interests *(continued)*

Notes:

1. EGII holds 44.26% interests in ENN-NG. Therefore, EGII holds 34.28% of the shares of the Company through Xinneng HK, a wholly-owned subsidiary of ENN-NG. EGII is beneficially owned as to 50% by Mr. Wang and 50% by Ms. Zhao, the spouse of Mr. Wang.

2. On 30 November 2018, Mr. Wang and Ms. Zhao entered into an equity entrustment agreement with EIH, pursuant to which each of Mr. Wang and Ms. Zhao entrusts EIH to manage their respective shareholding of 50% in EGII till 31 December 2040. Pursuant to the agreement, EGII is controlled by EIH. Accordingly, EIH is deemed to be interested in the shares in which EGII is interested in (1) above. In addition, EIH directly and indirectly holds 14.97% interests of ENN-NG.

3. EIH is 100% owned by Mr. Wang, Ms. Zhao and ECM in total, and ECM is a wholly-owned subsidiary of LCNG, LCNG hence is deemed to be interested in the shares in which EIH is interested in (1) and (2) above. In addition, ECM and LCNG indirectly hold 3.18% and 9.97% interests in ENN-NG respectively.

4. LCNG is 100% owned by Mr. Wang, Ms. Zhao and EYCT (beneficially owned as to 50% by Mr. Wang and 50% by Ms. Zhao) in total, hence they are deemed to be interested in the shares in which LCNG is interested in (1), (2) and (3) above.

5. As Mr. Wang's spouse, Ms. Zhao is deemed as holding Mr. Wang's interests in shares.

6. It included an aggregate interest in 1,308,005 underlying shares among which 27,736 shares (L) are physically settled listed derivatives, 69,160 shares (L) and 527,400 shares (S) are cash settled unlisted derivatives, and 683,709 shares (S) are physically settled unlisted derivatives.

7. (L) represents Long Position; (S) represents Short Position; (P) represents Lending Pool.

8. As at 30 June 2025, the Company had 1,131,252,275 shares in issue.

Save for the shareholders as disclosed herein, the directors are not aware of any persons who, as at 30 June 2025, 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.

Save as disclosed above, as at 30 June 2025 the Company had not been notified of any other person who had interest or short position in the shares or underlying shares of the Company, which are required to be recorded in the register maintained by the Company pursuant to Section 336 of Part XV of the SFO and the Listing Rules.

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

Reference is hereby made to the announcements of the Company dated 19 September 2023 and 23 September 2024 regarding the Board approved the utilisation of up to USD100 million equivalent in HKD and up to HK$300 million, for instructing the Trustee to purchase the Company's ordinary shares listed on the Main Board of the Stock Exchange for the purpose of the Share Award Scheme, and to utilise up to HK$300 million to buy-back Shares from the open market.

As at 30 June 2025, the Trustee has cumulatively purchased and now holds 19,984,600 Awarded Shares of the Company under the Share Award Scheme, representing approximately 1.77% of the issued share capital of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

Loan Agreements Imposing Specific Performance Obligations on Controlling Shareholders

The Company issued 10-year Green Senior Notes on 17 September 2020 and 5-year Green Senior Notes on 17 May 2022 (collectively, the "Green Senior Notes") with principal amounts of USD750 million (equivalent to RMB5,137 million) and USD550 million (equivalent to RMB3,612 million) respectively. The terms and conditions of the Green Senior Notes require Mr. Wang, Ms. Zhao and any affiliate of any of them, controlling shareholders of the Company, collectively to retain their interests in the Company of at least 20% of the total issued share capital of the Company throughout the terms of the relevant notes. As at 30 June 2025, the outstanding principal amount of the Green Senior Notes are USD489 million (equivalent to RMB3,500 million) and USD550 million (equivalent to RMB3,937 million) respectively.

By order of the Board
Chairman
WANG Yusuo

Hong Kong, 27 August 2025

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF ENN ENERGY HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of ENN Energy Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 74, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other 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 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 ("HKAS 34") "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants. 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 Hong Kong Institute of Certified Public Accountants. 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

27 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June **2025** **RMB million** **(unaudited)**	 2024 RMB million (unaudited)
Revenue	3	**55,673**	54,587
Cost of sales		**(49,216)**	(48,122)
Gross profit		**6,457**	6,465
Other income	4	**343**	543
Other gains and losses	5	**(577)**	(481)
Distribution and selling expenses		**(683)**	(619)
Administrative expenses		**(1,938)**	(1,961)
Share of results of associates		**210**	175
Share of results of joint ventures		**260**	248
Finance costs	6	**(287)**	(390)
Profit before tax	7	**3,785**	3,980
Income tax expense	8	**(893)**	(978)
Profit for the period		**2,892**	3,002
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of a property arising from the transfer to investment properties		**1**	–
Fair value change of equity instruments at fair value through other comprehensive income ("FVTOCI")		**(3)**	(1)
Income tax relating to items that will not be reclassified		**1**	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**1**	38
Fair value loss of derivative financial instruments under hedge accounting		**(125)**	(82)
Income tax relating to items that may be reclassified		**5**	2
Other comprehensive expense for the period		**(120)**	(43)
Total comprehensive income for the period		**2,772**	2,959
Profit for the period attributable to:			
Owners of the Company		**2,429**	2,573
Non-controlling interests		**463**	429
		2,892	3,002
Total comprehensive income for the period attributable to:			
Owners of the Company		**2,309**	2,530
Non-controlling interests		**463**	429
		2,772	2,959

		RMB	RMB
Earnings per share	10		
Basic		**2.19**	2.29
Diluted		**2.19**	2.29

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**At 30 June 2025 RMB million (unaudited)**	At 31 December 2024 RMB million
Non-current Assets			
Property, plant and equipment	11	**54,539**	53,151
Right-of-use assets	11	**2,697**	2,753
Investment properties		**236**	246
Goodwill		**2,486**	2,504
Intangible assets	11	**4,339**	4,420
Interests in associates		**5,072**	4,943
Interests in joint ventures		**5,512**	5,433
Other receivables	14	**3**	3
Derivative financial instruments	12	**37**	139
Amounts due from joint ventures		**126**	–
Financial assets at fair value through profit or loss ("FVTPL")	13	**4,150**	4,434
Equity instruments at FVTOCI		**221**	224
Deferred tax assets		**1,566**	1,518
Other non-current assets		**876**	688
Restricted bank deposits	15	**525**	580
		82,385	81,036
Current Assets			
Inventories		**1,215**	1,513
Trade and other receivables	14	**10,211**	9,828
Contract assets		**884**	848
Derivative financial instruments	12	**91**	196
Amounts due from associates	16	**630**	619
Amounts due from joint ventures	17	**918**	1,080
Amounts due from related companies	18	**214**	233
Restricted bank deposits	15	**202**	174
Cash and cash equivalents		**6,339**	7,693
		20,704	22,184
Assets classified as held for sale		**60**	–
		20,764	22,184

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	**At 30 June 2025 RMB million (unaudited)**	At 31 December 2024 RMB million
Current Liabilities			
Trade and other payables	19	**8,270**	8,203
Contract liabilities		**11,323**	12,943
Deferred income		**56**	73
Amounts due to associates	16	**797**	713
Amounts due to joint ventures	17	**1,155**	968
Amounts due to related companies	18	**1,647**	1,503
Taxation payables		**877**	1,059
Dividend payable	9	**2,399**	–
Lease liabilities		**185**	195
Derivative financial instruments	12	**213**	345
Bank and other loans	20	**5,864**	6,464
Share-based payment liabilities	23	**4**	4
Financial guarantee liabilities	28	**30**	32
		32,820	32,502
Net Current Liabilities		**(12,056)**	(10,318)
Total Assets less Current Liabilities		**70,329**	70,718
Capital and Reserves			
Share capital	22	**117**	117
Reserves		**44,862**	44,984
Equity attributable to owners of the Company		**44,979**	45,101
Non-controlling interests		**6,057**	5,975
Total Equity		**51,036**	51,076
Non-current Liabilities			
Contract liabilities		**2,378**	2,500
Deferred income		**918**	967
Lease liabilities		**615**	667
Bank and other loans	20	**5,480**	5,648
Senior notes	21	**7,395**	7,420
Derivative financial instruments	12	**131**	–
Deferred tax liabilities		**2,376**	2,440
		19,293	19,642
		70,329	70,718

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Six months ended 30 June 2025 (unaudited)

	Equity attributable to owners of the Company													
	Share capital RMB million (Note 22)	Shares held under Share Award Scheme RMB million (Note 23)	Share premium RMB million	Special reserve RMB million (note a)	Revaluation reserve RMB million	Share options reserve RMB million	Exchange reserve RMB million	Hedging reserve RMB million (Note 24)	Surplus reserve fund RMB million (note b)	Designated safety fund RMB million (note c)	Retained earnings RMB million	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
At 1 January 2025	117	(1,062)	–	(115)	69	142	208	22	5,748	90	39,882	45,101	5,975	51,076
Profit for the period	–	–	–	–	–	–	–	–	–	–	2,429	2,429	463	2,892
Other comprehensive (expense) income for the period	–	–	–	–	(1)	–	1	(120)	–	–	–	(120)	–	(120)
Total comprehensive income for the period	–	–	–	–	(1)	–	1	(120)	–	–	2,429	2,309	463	2,772
Cumulative gain transferred to initial carrying amount of hedged items (Note 24)	–	–	–	–	–	–	–	(33)	–	–	–	(33)	–	(33)
Issue of ordinary shares on exercise of share options (Note 23)	–	–	1	–	–	–	–	–	–	–	–	1	–	1
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(2)	(2)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	11	11
Dividends appropriation (Note 9)	–	–	–	–	–	–	–	–	–	–	(2,399)	(2,399)	–	(2,399)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	(390)	(390)
Transfer to designated safety fund	–	–	–	–	–	–	–	–	–	3	(3)	–	–	–
Transfer to surplus reserve fund	–	–	–	–	–	–	–	–	371	–	(371)	–	–	–
At 30 June 2025	117	(1,062)	1	(115)	68	142	209	(131)	6,119	93	39,538	44,979	6,057	51,036

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Six months ended 30 June 2024 (unaudited)

	Equity attributable to owners of the Company													
	Share capital RMB million (Note 22)	Shares held under Share Award Scheme RMB million (Note 23)	Share premium RMB million	Special reserve RMB million (note a)	Revaluation reserve RMB million	Share options reserve RMB million	Exchange reserve RMB million	Hedging reserve RMB million (Note 24)	Surplus reserve fund RMB million (note b)	Designated safety fund RMB million (note c)	Retained earnings RMB million	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
At 1 January 2024	117	(397)	28	(115)	66	142	195	(96)	5,359	90	37,271	42,660	5,602	48,262
Profit for the period	–	–	–	–	–	–	–	–	–	–	2,573	2,573	429	3,002
Other comprehensive (expense) income for the period	–	–	–	–	(1)	–	38	(80)	–	–	–	(43)	–	(43)
Total comprehensive income for the period	–	–	–	–	(1)	–	38	(80)	–	–	2,573	2,530	429	2,959
Cumulative gain transferred to initial carrying amount of hedged items	–	–	–	–	–	–	–	(35)	–	–	–	(35)	–	(35)
Purchase of shares under Share Award Scheme	–	(215)	–	–	–	–	–	–	–	–	–	(215)	–	(215)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	84	84
Dividends appropriation (Note 9)	–	–	(28)	–	–	–	–	–	–	–	(2,348)	(2,376)	–	(2,376)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	(385)	(385)
Transfer to designated safety fund	–	–	–	–	–	–	–	–	–	3	(3)	–	–	–
Transfer to surplus reserve fund	–	–	–	–	–	–	–	–	101	–	(101)	–	–	–
At 30 June 2024	117	(612)	–	(115)	65	142	233	(211)	5,460	93	37,392	42,564	5,730	48,294

Notes:

a. The balance represents the difference between the fair values of consideration paid and the carrying values of net assets attributable to the additional interests of subsidiaries acquired or disposal of with no change in control.

b. In accordance with the People's Republic of China ("PRC") regulations, the surplus reserve fund retained by subsidiaries in the PRC is non-distributable.

c. Pursuant to relevant PRC regulations, the Group is required to transfer 1.5% on revenue generated from construction and installation, transportation of gas or other dangerous chemical into a designated fund. The fund will be used for installation and repair and maintenance of safety facilities. The movement during the period represents the difference between the amount provided based on the relevant PRC regulations and the amount utilised during the period.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Note	Six months ended 30 June 2025 RMB million (unaudited)	2024 RMB million (unaudited)
Net cash generated from operating activities		**2,645**	3,266
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and other non-current assets		**(3,132)**	(2,305)
Acquisition of intangible assets		**(144)**	(364)
Investments in wealth management products		**(5,907)**	(6,009)
Redemptions of wealth management products		**5,907**	6,109
Additions of restricted bank deposits		**(193)**	(90)
Release of restricted bank deposits		**220**	255
Net cash outflow on acquisition of businesses	25	**(47)**	–
Net cash inflow on disposal of businesses		**2**	49
Investments in associates		**(20)**	(42)
Investments in joint ventures		**(20)**	(6)
Interest received		**49**	137
Gross cash outflow from derivative financial instruments		**(52)**	(48)
Gross cash inflow from derivative financial instruments		**277**	212
Dividends received from associates		**39**	29
Dividends received from joint ventures		**84**	90
Advances to joint ventures		**(73)**	(205)
Amounts repaid by joint ventures		**8**	742
Advances to associates		**(4)**	(273)
Amounts repaid by associates		**14**	77
Advances to third parties		**(1,624)**	(1,363)
Amounts repaid by third parties		**1,922**	1,374
Other investing activities		**86**	134
Net cash used in investing activities		**(2,608)**	(1,497)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(unaudited)	(unaudited)
FINANCING ACTIVITIES		
New bank loans raised	**5,050**	11,401
Repayment of bank loans	**(5,818)**	(13,235)
Advances from banks and other financial institutions	**800**	4,190
Amounts repaid to banks and other financial institutions	**(800)**	(4,190)
Net proceeds from ordinary shares issued on exercise of share options	**1**	–
Payment of lease liabilities	**(107)**	(83)
Dividends paid to non-controlling shareholders	**(390)**	(385)
Capital contribution from non-controlling shareholders	**11**	84
Cash outflow on acquisition of additional interest in a subsidiary	**(2)**	(70)
Early redemption of senior notes	**–**	(284)
Purchase of shares under Share Award Scheme	**–**	(215)
Interest paid	**(296)**	(439)
Advances from joint ventures	**90**	13
Amounts repaid to joint ventures	**(14)**	(146)
Advances from associates	**96**	25
Amounts repaid to associates	**(44)**	(57)
Advances from related companies	**44**	11
Amounts repaid to related companies	**(8)**	(12)
Net cash used in financing activities	**(1,387)**	(3,392)
Net decrease in cash and cash equivalents	**(1,350)**	(1,623)
Effect of foreign exchange rate changes	**(4)**	5
Cash and cash equivalents at beginning of the period	**7,693**	9,689
Cash and cash equivalents at end of the period	**6,339**	8,071

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. Basis of Preparation

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

In preparing the condensed consolidated financial statements for the six months ended 30 June 2025, the directors of the Company (the "Directors") have given careful consideration of the Group's net current liabilities of approximately RMB12,056 million on that date. Taking into account the continuity and availability of financial resources to the Group, among other things, the cash flows generated from its principal operations, availability of banking facilities and its expected future working capital requirements, the Directors are therefore satisfied that the Group will be able to meet in full its financial obligations when they fall due and continue its existing operation in the foreseeable future. Accordingly, the condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared on a going concern basis.

2. Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to a HKFRS Accounting Standard in the current interim period has had no material impact on the Group's consolidated 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

Information reported to the chief operating decision maker (the "CODM") of the Company, for the purposes of resource allocation and performance assessment among segments focuses specifically on different type of goods and services.

Segment profit (loss) represents the profit (loss) earned by each segment without allocation of central administrative expenses, distribution and selling expenses, share of results of associates and joint ventures, other income, other gains and losses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Disaggregation of revenue

	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Sales of goods RMB million	**Provision of services RMB million**	**Total RMB million**	Sales of goods RMB million	Provision of services RMB million	Total RMB million
Types of goods or services						
Retail gas sales business	**30,432**	**–**	**30,432**	30,085	–	30,085
Integrated energy business	**6,579**	**329**	**6,908**	7,837	382	8,219
Wholesale of gas	**14,467**	**–**	**14,467**	12,347	–	12,347
Construction and installation	**–**	**1,710**	**1,710**	–	1,857	1,857
Smart home business	**1,202**	**954**	**2,156**	1,095	984	2,079
Total	**52,680**	**2,993**	**55,673**	51,364	3,223	54,587

CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

3. Segment Information *(continued)*

The following is an analysis of the Group's revenue and results by reportable segments which are also the operating segments for the periods under review:

Six months ended 30 June 2025

	Retail gas sales business RMB million	Integrated energy business RMB million	Wholesale of gas RMB million	Construction and installation RMB million	Smart home business RMB million	Total RMB million
Segment revenue	34,120	6,959	21,886	2,344	3,897	69,206
Inter-segment sales	(3,688)	(51)	(7,419)	(634)	(1,741)	(13,533)
Revenue from external customers	30,432	6,908	14,467	1,710	2,156	55,673
Segment profit before depreciation and amortisation	3,927	1,324	(14)	1,105	1,473	7,815
Depreciation and amortisation	(835)	(234)	(1)	(285)	(3)	(1,358)
Segment/gross profit(loss)	3,092	1,090	(15)	820	1,470	6,457

Six months ended 30 June 2024

	Retail gas sales business RMB million	Integrated energy business RMB million	Wholesale of gas RMB million	Construction and installation RMB million	Smart home business RMB million	Total RMB million
Segment revenue	35,637	8,287	17,148	2,353	3,733	67,158
Inter-segment sales	(5,552)	(68)	(4,801)	(496)	(1,654)	(12,571)
Revenue from external customers	30,085	8,219	12,347	1,857	2,079	54,587
Segment profit before depreciation and amortisation	3,896	1,256	36	1,102	1,404	7,694
Depreciation and amortisation	(758)	(188)	(2)	(278)	(3)	(1,229)
Segment/gross profit	3,138	1,068	34	824	1,401	6,465

The following is an analysis of the Group's revenue and results by location:

	Six months ended 30 June			
	Mainland China		Overseas	
	2025 RMB million	2024 RMB million	**2025 RMB million**	2024 RMB million
Revenue	**55,554**	54,458	**119**	129
Segment/gross profit	**6,446**	6,456	**11**	9

Substantially all of the Group's revenue and segment profit are from the Mainland China. During the six months ended 30 June 2025 and 2024, no revenue nor gross profit was generated from overseas in the wholesale gas sales segment.

4. Other Income

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Other income mainly includes:		
Incentive subsidies (note)	**141**	207
Dividends income from financial assets at FVTPL	**84**	75
Interest income on bank deposits	**18**	92
Interest income on loan to joint ventures, associates and related parties	**13**	10
Interest income on loan to third parties	**18**	35
Rental income from equipment	**24**	19
Rental income from investment properties	**7**	6

Note: The amount mainly represents refunds of various taxes as incentives and other incentives related to the Group's operation by the government authorities in various cities of the PRC.

5. Other Gains and Losses

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Net fair value gain (loss) of:		
– Derivative financial instruments (Note 12)	**201**	(137)
– Financial assets at FVTPL (Note 13)	**(281)**	(11)
– Early redemption of senior notes (Note 21)	**–**	35
– Investment properties	**(3)**	–
Loss on foreign exchange, net (note)	**(23)**	(62)
Impairment losses under expected credit loss model, net of reversal:		
– Trade and other receivables	**(229)**	(178)
– Contract assets	**(8)**	(8)
– Amounts due from associates/joint ventures/related companies	**(97)**	10
Impairment loss recognised in respect of:		
– Property, plant and equipment	**(108)**	(94)
– Intangible assets	**(18)**	(26)
– Goodwill	**(18)**	–
Net (loss) gain on disposal of:		
– Property, plant and equipment	**(52)**	(46)
– Right-of-use assets	**2**	1
– A subsidiary	**3**	37
– Associates	**(2)**	–
Net compensation income	**44**	–
Others	**12**	(2)
	(577)	(481)

Note: Included in the amount for the six months ended 30 June 2025 is an exchange gain of approximately RMB30 million (six months ended 30 June 2024: loss of RMB48 million) arising from the translation of senior notes denominated in United States Dollar ("USD").

6. Finance Costs

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Interest on:		
Bank and other loans	**192**	281
Senior notes	**142**	147
Lease liabilities	**19**	17
	353	445
Less: Amount capitalised under construction in progress	**(44)**	(46)
	309	399
Fair value gain on foreign currency derivatives designated as cash flow hedges for USD debts	**(22)**	(9)
	287	390

7. Profit Before Tax

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Profit before tax has been arrived at after charging:		
Depreciation and amortisation:		
– Property, plant and equipment	**1,335**	1,198
– Intangible assets	**227**	189
– Right-of-use assets	**139**	111
Total depreciation and amortisation (note)	**1,701**	1,498

Note: The amount of total depreciation and amortisation included in cost of sales, administrative expenses, distribution and selling expenses are as follows:

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Depreciation and amortisation included in:		
Cost of sales	**1,358**	1,229
Administrative expenses	**261**	219
Distribution and selling expenses	**82**	50
	1,701	1,498

8. Income Tax Expense

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Current tax	**1,004**	1,088
Deferred tax	**(111)**	(110)
	893	978

As the major operating income of the Group are derived from the PRC, the tax expenses arose principally from the PRC for both periods. Under the Enterprise Income Tax Law of the PRC (the "EIT Law") and Detailed Rules for the Implementation of the EIT Law, the tax rate applicable for the PRC entities of the Group is 25%.

Certain subsidiaries of the Company are qualified as "High and New Technology Enterprises", which are subject to PRC Enterprise Income Tax at the preferential rate of 15% on the estimated assessable profit as determined in accordance with relevant tax rules and regulations in the PRC. This preferential rate could be applied for three years and the subsidiaries are eligible to apply the tax concession again upon expiry of the three-year period.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

The Group is operating in certain jurisdictions where the Global Anti-base Erosion Rules ("GloBE Rules") are effective on 1 January 2025. 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 GloBE Rules based on management's best estimate, the management of the Group considered the Group is not liable to Pillar Two income taxes under the GloBE Rules.

9. Dividend

a. Proposed interim dividend after the end of the reporting period

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Interim dividend of HK$0.65 (equivalent to approximately RMB0.59) per share (2024: HK$0.65 (equivalent to approximately RMB0.59) per share)	**663**	671

The interim dividend proposed after the end of the reporting period has not been recognised as a liability in the condensed consolidated financial statements.

b. Dividends belonging to the previous financial year and recognised as a liability during the reporting period

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Final dividend of HK$2.35 (equivalent to approximately RMB2.19) per share (2024: HK$2.31 (equivalent to approximately RMB2.09) per share)	**2,442**	2,376
Less: Dividend for shares held under the Share Award Scheme	**(43)**	(22)
	2,399	2,354

The final dividend for the year ended 31 December 2024 of the Company was declared on 26 March 2025, approved by the Company's shareholders on 23 May 2025 and paid on 25 July 2025.

10. Earnings Per Share

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

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**2,429**	2,573

	Six months ended 30 June	
	2025	2024
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,111,245**	1,122,905
Effect of dilutive potential ordinary shares:		
– share options	**191**	254
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,111,436**	1,123,159

Diluted earnings per share for the six months ended 30 June 2025 and 2024 are calculated assuming all dilutive potential ordinary shares were converted.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share have taken into account the accumulated impact of Awarded Shares purchased by the Trustee under the Company's Share Award Scheme.

11. Property, Plant and Equipment, Intangible Assets and Right-of-Use Assets

During the six months ended 30 June 2025, the Group acquired property, plant and equipment, intangible assets and right-of-use assets amounting to approximately RMB2,912 million, RMB162 million and RMB96 million (six months ended 30 June 2024: RMB2,442 million, RMB364 million and RMB94 million), respectively.

During the six months ended 30 June 2025, the Group entered into several new lease agreements with lease terms from 1 year to 20 years. On lease commencement, the Group recognised right-of-use assets and corresponding lease liabilities of RMB51 million (six months ended 30 June 2024: RMB65 million).

Impairment assessment

The management of the Group concluded there was an indication of impairment when the financial performance of the relevant subsidiaries was not in accordance with expectation. As a result, impairment assessments based on certain cash-generating units within the integrated energy business and the sales of piped gas business segments were conducted respectively.

The results of the assessments indicated that the Group recognised an impairment loss of RMB126 million (six months ended 30 June 2024: RMB120 million) that is related to property, plant and equipment and intangible assets during the current interim period.

12. Derivative Financial Instruments

	At 30 June 2025 RMB million	At 31 December 2024 RMB million
Derivative financial assets		
Derivatives designated as cash flow hedges:		
Foreign currency derivative contracts (note a)	**33**	229
Commodity derivative contracts (note b)	**5**	15
Derivatives not designated in hedge accounting:		
Foreign currency derivative contracts (note a)	**19**	82
Commodity derivative contracts (note b)	**71**	9
	128	335
Derivative financial liabilities		
Derivatives designated as cash flow hedges:		
Foreign currency derivative contracts (note a)	**49**	–
Commodity derivative contracts (note b)	**58**	36
Derivatives not designated in hedge accounting:		
Foreign currency derivative contracts (note a)	**3**	–
Commodity derivative contracts (note b)	**234**	309
	344	345
Analysed for reporting purpose as:		
Assets		
Current portion	**91**	196
Non-current portion	**37**	139
Liabilities		
Current portion	**213**	345
Non-current portion	**131**	–

12. Derivative Financial Instruments *(continued)*

For the six months ended 30 June 2025

	Commodity Derivatives RMB million	Foreign Currency Derivatives RMB million	Total RMB million
Net unrealised fair value gain (loss) included in other gains and losses			
Derivatives designated as cash flow hedges – ineffective portion	–	(62)	(62)
Derivatives not designated in hedge accounting	172	(64)	108
	172	(126)	46
Net realised fair value gain included in other gains and losses			
Derivatives not designated in hedge accounting	145	10	155
	317	(116)	201

For the six months ended 30 June 2024

	Commodity Derivatives RMB million	Foreign Currency Derivatives RMB million	Total RMB million
Net unrealised fair value loss included in other gains and losses			
Derivatives designated as cash flow hedges – ineffective portion	(5)	(10)	(15)
Derivatives not designated in hedge accounting	(268)	(78)	(346)
	(273)	(88)	(361)
Net realised fair value gain included in other gains and losses			
Derivatives not designated in hedge accounting	219	5	224
	(54)	(83)	(137)

12. Derivative Financial Instruments *(continued)*

Notes:

a. The Group is exposed to exchange rate risk mainly arising from various bonds, bank loans and liquefied natural gas ("LNG") purchases from international suppliers denominated in USD. To manage and mitigate the foreign exchange exposure, the Group entered into various foreign currency derivative contracts (the "Foreign Currency Derivatives") with certain financial institutions. As at 30 June 2025, the Foreign Currency Derivatives have a total notional amount of USD1,463 million (2024: USD1,850 million), of which the maturity dates match to the maturity dates of certain debts and transaction dates of certain highly probable LNG purchases denominated in USD, of which USD1,028 million (2024: USD1,391 million) are accounted for under hedge accounting. The Foreign Currency Derivatives will enable the Group to buy USD at the predetermined RMB/USD exchange rates on maturity dates.

b. The Group's two regular operated international long-term LNG sale and purchase agreements, along with certain domestic long-term natural gas procurement agreements, are primarily priced based on international crude oil or natural gas price indices.

   The Group is exposed to price risk as the purchase prices of agreements are linked to certain commodity price indexes. The Group manages significant portion of such price exposure through entering into various commodity derivative contracts (the "Commodity Derivatives") with certain financial institutions. These contracts have been classified as derivative under HKFRS 9 *Financial Instruments* and are required to be measured at FVTPL, in which, certain Commodity Derivatives are designated as hedging instruments and accounted for under hedge accounting.

13. Financial Assets at FVTPL

	At 30 June 2025 RMB million	At 31 December 2024 RMB million
Listed equity interest in Shanghai Dazhong Public Utilities (Group) Co., Ltd ("Shanghai Utilities") (note a)	**249**	260
Unlisted equity interest in Sinopec Marketing Co., Ltd ("Sinopec Marketing") (note b)	**3,900**	4,170
Unlisted equity securities (note c)	**1**	4
	4,150	4,434
Analysed for reporting purpose as:		
Assets		
Non-current portion	**4,150**	4,434

13. Financial Assets at FVTPL *(continued)*

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Net unrealised fair value loss included in other gains and losses		
Listed equity interest in Shanghai Utilities (note a)	**(11)**	(11)
Unlisted equity interest in Sinopec Marketing (note b)	**(270)**	–
	(281)	(11)

Notes:

a. The above listed investment represents 4.45% of the total issued share capital of Shanghai Utilities (1635.HK).

b. The above investment represents 1.13% unlisted equity interest in Sinopec Marketing. During the current period, the Group recognised a dividend income of approximately RMB84 million (six months ended 30 June 2024: RMB75 million) from Sinopec Marketing.

c. The unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in the PRC.

14. Trade and Other Receivables

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on invoice date at the end of the reporting period:

	At 30 June	At 31 December
	2025	2024
	RMB million	RMB million
0 to 3 months	**1,460**	1,718
4 to 6 months	**323**	211
7 to 9 months	**374**	252
10 to 12 months	**155**	164
More than one year	**780**	805
Total trade receivables	**3,092**	3,150
Bills receivables (note)	**2,424**	1,132
Other receivables	**798**	666
Loan receivables	**160**	249
Less: Allowance for credit losses	**(112)**	(62)
	3,270	1,985
Deductible input value added tax and prepayment of other taxes and charges	**1,758**	1,697
Advances to suppliers and prepayments	**2,094**	2,999
Total trade and other receivables	**10,214**	9,831
Analysed for reporting purpose as:		
Current portion	**10,211**	9,828
Non-current portion	**3**	3

Note: The bills receivables were endorsed by PRC banks for guarantee payments and the default risk is considered to be minimal.

15. Restricted Bank Deposits

The restricted bank deposits carry fixed interest rate ranging from 0.02% to 2.45% (31 December 2024: 0.05% to 4.13%) per annum. Except for the mandatory reserves in the People's Bank of China ("PBOC"), other restricted bank deposits will be released upon the settlement of bank loans, the expiry of purchase contracts or operation rights. The mandatory reserves in the PBOC classified as non-current assets were deposits placed by the Group's finance company, and the reserves amount is subject to change with respect to the savings accepted by the Group's finance company and the PBOC reserve rate is adjusted from time to time.

16. Amounts Due from/to Associates

Included in the amounts due from/to associates are trade receivables, amounting to RMB355 million (31 December 2024: RMB389 million) and trade payables amounting to RMB53 million (31 December 2024: RMB134 million). At the end of reporting period, the aged analysis based on invoice date is as follows:

	At 30 June 2025 RMB million	At 31 December 2024 RMB million
Trade receivables		
0 to 3 months	**104**	124
4 to 6 months	**29**	21
7 to 9 months	**26**	15
10 to 12 months	**12**	6
More than one year	**184**	223
	355	389
Trade payables		
0 to 3 months	**23**	85
4 to 6 months	**12**	12
7 to 9 months	**6**	1
10 to 12 months	**3**	15
More than one year	**9**	21
	53	134

17. Amounts Due from/to Joint Ventures

Included in the amounts due from/to joint ventures are trade receivables, amounting to RMB634 million (31 December 2024: RMB624 million) and trade payables amounting to RMB402 million (31 December 2024: RMB607 million). At the end of the reporting period, the aged analysis based on invoice date is as follows:

	At 30 June 2025 RMB million	At 31 December 2024 RMB million
Trade receivables		
0 to 3 months	**372**	399
4 to 6 months	**91**	92
7 to 9 months	**71**	51
10 to 12 months	**46**	26
More than one year	**54**	56
	634	624
Trade payables		
0 to 3 months	**328**	520
4 to 6 months	**10**	21
7 to 9 months	**11**	4
10 to 12 months	**3**	5
More than one year	**50**	57
	402	607

18. Amounts Due from/to Related Companies

Included in the amounts due from/to related companies are trade receivables, amounting to RMB130 million (31 December 2024: RMB151 million) and trade payables amounting to RMB1,473 million (31 December 2024: RMB1,366 million). At the end of the reporting period, the aged analysis based on invoice date is as follows:

	At 30 June 2025 RMB million	At 31 December 2024 RMB million
Trade receivables		
0 to 3 months	**46**	56
4 to 6 months	**17**	10
7 to 9 months	**10**	10
10 to 12 months	**5**	11
More than one year	**52**	64
	130	151
Trade payables		
0 to 3 months	**441**	823
4 to 6 months	**498**	210
7 to 9 months	**248**	90
10 to 12 months	**53**	62
More than one year	**233**	181
	1,473	1,366

The related companies are controlled by Mr. Wang Yusuo ("Mr. Wang"), who is a director of the Company with significant influence.

19. Trade and Other Payables

At the end of reporting period, the aged analysis of trade payables, presented based on invoice date is as follows:

	At 30 June 2025 RMB million	At 31 December 2024 RMB million
0 to 3 months	**2,885**	3,447
4 to 6 months	**529**	480
7 to 9 months	**334**	223
10 to 12 months	**164**	185
More than one year	**1,185**	1,201
Total trade payables	**5,097**	5,536
Bills payables	**1,252**	678
Accrued charges and other payables	**1,921**	1,989
	8,270	8,203

20. Bank and Other Loans

During the six months ended 30 June 2025, the Group obtained new bank and other loans of RMB5,050 million (six months ended 30 June 2024: RMB11,401 million) and made repayments of RMB5,818 million (six months ended 30 June 2024: RMB13,235 million). The loans bear interest at the rates ranging from 1.50% to 4.34% (31 December 2024: 1.50% to 4.05%) per annum. These proceeds were used to finance the capital expenditure and general working capital of the Group.

At 30 June 2025, certain assets of the Group with aggregate carrying value of RMB660 million (31 December 2024: RMB406 million) were pledged as security for bank and other loans, bills facilities and contracts granted to the Group.

In addition, the Group has also pledged its rights to receive construction and installation and gas supply fee income of certain subsidiaries in favour of banks to secure banking facilities amounting to RMB210 million (31 December 2024: RMB690 million) granted to the Group, of which RMB105 million of them (31 December 2024: RMB340 million) has been utilised up to 30 June 2025 (31 December 2024).

At 30 June 2025, bank loans related to bills receivable discounted to the banks are amounting to RMB263 million (31 December 2024: RMB83 million).

21. Senior Notes

a. 2020 Green Senior Notes

On 17 September 2020, the Company issued 2.625% green senior notes with an aggregated nominal value of USD750 million (equivalent to approximately RMB5,137 million) (the "2020 Green Senior Notes") at face value. The net proceeds, after deducting the issuance costs, amounted to USD739 million (equivalent to approximately RMB5,065 million). The 2020 Green Senior Notes will be matured on 17 September 2030. The 2020 Green Senior Notes are listed on the Stock Exchange and dealt in over-the-counter market through a financial institution as the principal agent.

During the six months ended 30 June 2024, the Company has early redeemed the 2020 Green Senior Notes with principal amount of USD45 million (equivalent to approximately RMB320 million) for a consideration of RMB284 million (included the applicable premium and accrued interests), and a gain of RMB35 million was recognised and included in other gains and losses as set out in Note 5).

As at 30 June 2025 and 31 December 2024, the Company has early redeemed a total of principal amount of USD261 million (approximately RMB1,868 million) of the 2020 Green Senior Notes.

b. 2022 Green Senior Notes

On 17 May 2022, the Company issued 4.625% green senior notes with an aggregated nominal value of USD550 million (equivalent to approximately RMB3,612 million) (the "2022 Green Senior Notes") at face value. The net proceeds, after deducting the issuance costs, amounted to USD545 million (equivalent to approximately RMB3,579 million). The 2022 Green Senior Notes will be matured on 17 May 2027. The 2022 Green Senior Notes are listed on the Stock Exchange and dealt in over-the-counter market through a financial institution as the principal agent.

22. Share Capital

During the six months ended 30 June 2025, 28,000 shares were issued at the exercise price of HK$40.34 per ordinary share (six months ended 30 June 2024: 2,900 shares were issued at the exercise price of HK$40.34 per ordinary share) under the share option scheme, in relation to the exercise of outstanding share options as set out in Note 23. These shares rank pari-passu with the existing shares in all respects.

Save as disclosed above and in Note 23, none of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities up to 30 June 2025.

23. Share Based Payments Transactions

The Company has adopted a share option scheme pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 26 June 2012 (the "Scheme 2012").

The Company has adopted a share award scheme pursuant to the board resolution of the Company dated 30 November 2018 (the "Share Award Scheme") as a supplement to the Scheme 2012.

All the shares in the Scheme 2012 and Share Award Scheme were vested, there was no share-based payment expense recorded during the reporting periods. During the six months ended 30 June 2025, there was approximate RMB280,000 transfer from share options reserve to share premium upon exercise of share options (six months ended 30 June 2024: RMB13,000). As at 30 June 2025, the Group has recorded liabilities of RMB4 million (31 December 2024: RMB4 million) in respect of the Share Award Scheme.

a. Scheme 2012

On 9 December 2015, the Company granted share options to the Directors and certain employees (the "2015 Grantees") to subscribe for a total of 12,000,000 ordinary shares of the Company under the Scheme 2012. Among the share options granted, 2,659,000 share options were granted to the Directors and the remaining were granted to certain employees of the Group. Vesting of the share options is conditional upon the fulfilment of certain vesting conditions as set out in the respective offer letters of the 2015 Grantees, which may involve fulfilment of performance targets.

On 28 March 2019, the Company granted share options to Directors and certain employees of the Company, and business consultants who contribute to the success of the Company (the "2019 Grantees") to subscribe for a total of 12,328,000 ordinary shares of the Company under the Scheme 2012. Among the share options granted above, 2,480,000 share options were granted to the Directors and the remaining were granted to certain employees of the Group and business consultants. Vesting of the share options is conditional upon the fulfilment of certain vesting conditions as set out in the respective offer letters of the 2019 Grantees, which may involve fulfilment of performance targets.

The 2015 Grantees and the 2019 Grantees should satisfy stipulated minimum service periods and performance targets for the attainment of the designated vesting conditions and periods. The vesting period of the share options is from the date of the grant until the commencement of the exercisable period.

23. Share Based Payments Transactions *(continued)*

a. Scheme 2012 *(continued)*

The following tables disclose details of the Company's share options held by the grantees and movements in such holdings under the share option scheme during the current period:

				Number of options					
	Date of grant	Exercisable period	Exercise price	Outstanding at 1.1.2025	Exercised during the period	Reclassified during the period	Lapsed during the period	Cancelled during the period	Outstanding at 30.06.2025
Scheme 2012 – batch 1									
Directors	9.12.2015	1.4.2017 to 8.12.2025	HK$40.34	15,000	–	–	–	(15,000)	–
	9.12.2015	1.4.2018 to 8.12.2025	HK$40.34	15,000	–	–	–	(15,000)	–
	9.12.2015	1.4.2019 to 8.12.2025	HK$40.34	15,000	–	–	–	(15,000)	–
	9.12.2015	1.4.2020 to 8.12.2025	HK$40.34	15,525	–	–	–	(15,000)	525
Employees	9.12.2015	1.4.2017 to 8.12.2025	HK$40.34	68,250	–	–	–	–	68,250
	9.12.2015	1.4.2018 to 8.12.2025	HK$40.34	91,824	(500)	–	–	–	91,324
	9.12.2015	1.4.2019 to 8.12.2025	HK$40.34	139,650	(5,000)	–	–	–	134,650
	9.12.2015	1.4.2020 to 8.12.2025	HK$40.34	317,986	(22,500)	–	–	–	295,486
Subtotal				678,235	(28,000)	–	–	(60,000)	590,235
Exercisable at the end of the period									590,235
Weighted average exercise price									HK$40.34
Scheme 2012 – batch 2									
Directors	28.3.2019	1.4.2020 to 27.3.2029	HK$76.36	15,000	–	(15,000)	–	–	–
	28.3.2019	1.4.2021 to 27.3.2029	HK$76.36	113,500	–	(34,500)	–	(20,000)	59,000
	28.3.2019	1.4.2022 to 27.3.2029	HK$76.36	371,200	–	33,100	–	(180,000)	224,300
	28.3.2019	1.4.2023 to 27.3.2029	HK$76.36	530,900	–	70,800	–	(180,000)	421,700
Employees	28.3.2019	1.4.2020 to 27.3.2029	HK$76.36	113,800	–	–	–	–	113,800
	28.3.2019	1.4.2021 to 27.3.2029	HK$76.36	988,075	–	19,500	(39,000)	(26,500)	942,075
	28.3.2019	1.4.2022 to 27.3.2029	HK$76.36	1,296,824	–	(48,100)	(39,000)	(26,700)	1,183,024
	28.3.2019	1.4.2023 to 27.3.2029	HK$76.36	1,560,392	–	(85,800)	(57,000)	(26,700)	1,390,892
Business Consultants	28.3.2019	1.4.2020 to 27.3.2029	HK$76.36	65,500	–	–	–	–	65,500
	28.3.2019	1.4.2021 to 27.3.2029	HK$76.36	104,000	–	–	–	–	104,000
	28.3.2019	1.4.2022 to 27.3.2029	HK$76.36	117,500	–	–	–	–	117,500
	28.3.2019	1.4.2023 to 27.3.2029	HK$76.36	104,000	–	–	–	–	104,000
Other eligible Participants	28.3.2019	1.4.2020 to 27.3.2029	HK$76.36	15,000	–	–	–	–	15,000
	28.3.2019	1.4.2021 to 27.3.2029	HK$76.36	15,000	–	–	–	–	15,000
	28.3.2019	1.4.2022 to 27.3.2029	HK$76.36	15,000	–	–	–	–	15,000
	28.3.2019	1.4.2023 to 27.3.2029	HK$76.36	15,000	–	–	–	–	15,000
	28.3.2019	1.4.2020 to 24.8.2025	HK$76.36	–	–	15,000	–	–	15,000
	28.3.2019	1.4.2021 to 24.8.2025	HK$76.36	–	–	15,000	–	–	15,000
	28.3.2019	1.4.2022 to 24.8.2025	HK$76.36	–	–	15,000	–	–	15,000
	28.3.2019	1.4.2023 to 24.8.2025	HK$76.36	–	–	15,000	–	–	15,000
Subtotal				5,440,691	–	–	(135,000)	(459,900)	4,845,791
Exercisable at the end of the period									4,845,791
Weighted average exercise price									HK$76.36
Total				6,118,926	(28,000)	–	(135,000)	(519,900)	5,436,026

23. Share Based Payments Transactions *(continued)*

a. Scheme 2012 *(continued)*

In respect of the share options exercised during the period, the weighted average share price at the dates of exercise was HK$65.08 (six months ended 30 June 2024: HK$66.40).

No share options were granted in both periods presented. 28,000 (six months ended 30 June 2024: 2,900) share options were exercised, 135,000 (six months ended 30 June 2024: none) of the share options were lapsed and 519,900 (six months ended 30 June 2024: none) of the share options were cancelled during the period. As at 30 June 2025, the number of outstanding share options is 5,436,026 (31 December 2024: 6,118,926).

b. Share Award Scheme

Pursuant to the Share Award Scheme, the Company may from time to time at its absolute discretion grant shares of the Company (the "Awarded Shares") to selected employees of any members of the Group. Vesting of the Awarded Shares granted is conditional upon the fulfilment of vesting conditions as specified in the grant notice issued to each grantee.

On 12 March 2019, pursuant to the terms of the Share Award Scheme and the trust deed, the Company established a trust (the "Trust") and appointed a trustee (the "Trustee") to administer the Share Award Scheme. During the effective period of the Share Award Scheme, the board of Directors may from time to time contribute funds to the Trust and instruct the Trustee to purchase shares of the Company on the Stock Exchange or in off-market transactions. Shares held under the Trustee are non-transferrable prior to vesting and have no voting rights.

During the six months ended 30 June 2025, the trustee did not purchase any shares (six months ended 30 June 2024: purchased 3,802,000 shares from the stock market for a total consideration of approximately HK$238 million). As at 30 June 2025, 19,984,600 shares (31 December 2024: 19,984,600 shares) were held by the Trustee and the cost of the shares purchased was recognised in equity as shares held under the Share Award Scheme.

During the six months ended 30 June 2025 and 30 June 2024, no shares had been nominally granted. Vesting of such shares is subject to satisfying relevant performance conditions and a service condition requiring continuous service until the respective vesting dates, and can occur as early as on 1 April in the year following the financial year to which the corresponding performance conditions related. Hence, the vesting period of these shares is from the date of the grant to the respective vesting dates.

During the exercise period from the relevant vesting dates to the expiry date, the grantees may exercise the right to receive in cash the notional gain (if any) of the vested Awarded Shares, which is the excess of the fair value of such shares on the exercise date over the award price.

23. Share Based Payments Transactions *(continued)*

b. Share Award Scheme *(continued)*

The following table discloses details of the Awarded Shares held by the grantees and movements in such holdings during the current period:

				Number of awarded shares				
	Financial year to which the performance conditions relate	Exercise Period	Awarded price (HK$)	Outstanding at 1.1.2025	Reclassified during the period	Lapsed during the period	Cancelled during the period	Outstanding at 30.06.2025
Directors	2020	01.04.2021 to 27.03.2029	76.36	40,000	(40,000)	–	–	–
	2021	01.04.2022 to 27.03.2029	76.36	80,000	(40,000)	–	–	40,000
	2022	01.04.2023 to 27.03.2029	76.36	80,000	(40,000)	–	–	40,000
Employees	2020	01.04.2021 to 27.03.2029	76.36	84,500	–	(25,000)	–	59,500
	2021	01.04.2022 to 27.03.2029	76.36	81,500	–	(27,000)	–	54,500
	2022	01.04.2023 to 27.03.2029	76.36	65,000	–	–	–	65,000
Other eligible participants	2020	01.04.2021 to 24.08.2025	76.36	–	40,000	–	–	40,000
	2021	01.04.2022 to 24.08.2025	76.36	–	40,000	–	–	40,000
	2022	01.04.2023 to 24.08.2025	76.36	–	40,000	–	–	40,000
Total				431,000	–	(52,000)	–	379,000
Exercisable at the end of the period								379,000

The fair values for these Awarded Shares granted as at 30 June 2025 were RMB4 million and were calculated using the Binomial Option Pricing Model.

23. Share Based Payments Transactions *(continued)*

b. Share Award Scheme *(continued)*

The following assumptions were used to calculate the fair values of Awarded Shares as at 30 June 2025:

	Directors	Employees
Spot price	HK$62.70	HK$62.70
Award price	HK$76.36	HK$76.36
Expected life	3.74 years	3.74 years
Expected volatility	43.47%	43.47%
Expected dividend yield	4.24%	4.24%
Risk-free interest rate	2.00%	2.00%
Early exercise behaviour	280% of the exercise price	220% of the exercise price

The variables and assumptions used in computing the fair value of the Awarded Shares are based on the Directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the Awarded Shares. The expected volatility was determined by referencing to the historical volatility of the Company's share price over the previous 3.74 years.

24. Hedging Reserve

The hedging reserve includes cash flow hedge reserve and cost of hedging reserve. The following table provides a reconciliation of the hedging reserve in respect of foreign exchange risk and commodity price risk during the period.

	Foreign exchange risk RMB million	Commodity price risk RMB million	Total RMB million
Cash flow hedge reserve			
At 1 January 2025	**41**	**(3)**	**38**
Changes in fair value of hedging instruments	**(327)**	**(27)**	**(354)**
Reclassified to profit or loss – hedged items has affected profit or loss	**44**	**–**	**44**
Cumulative gain transferred to initial carrying amount of hedged items	**(32)**	**(1)**	**(33)**
Income tax relating to items that may be reclassified subsequently	**–**	**4**	**4**
At 30 June 2025	**(274)**	**(27)**	**(301)**
Of which:			
Balance related to continuing cash flow hedges	**(301)**		
Balance related to discontinuing cash flow hedges	**–**		

24. Hedging Reserve *(continued)*

	Foreign exchange risk RMB million	Commodity price risk RMB million	Total RMB million
Cost of hedging reserve			
At 1 January 2025	**(9)**	**(7)**	**(16)**
Changes in fair value of time value/foreign currency basis components of time period related hedged items	**229**	**–**	**229**
Changes in the fair value in relation to transaction related hedged items	**–**	**(5)**	**(5)**
Amortisation to profit or loss of changes in fair value in relation to time period related hedged items	**(39)**	**–**	**(39)**
Income tax relating to items that may be reclassified subsequently	**–**	**1**	**1**
At 30 June 2025	**181**	**(11)**	**170**
	(93)	**(38)**	**(131)**

The cash flow hedging reserve represents the cumulative effective portion of gains and losses arising on changes in fair value of hedging instruments entered into for cash flow hedges. The cumulative gain and loss arising from changes in fair value of the hedging instrument that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss or when the hedged forecast transaction is no longer expected to occur. When the hedged forecast transaction results in the recognition of a non-financial item, the cumulative gain or loss is included in the initial measurement of the cost of such item.

The cost of hedging reserve represents the changes in fair value of the time value of options and foreign currency basis spread of hedging instruments and will be reclassified to profit or loss only when the hedged transaction affects profit or loss, or included as a basis adjustment to the non-financial hedged item.

24. Hedging Reserve *(continued)*

The following table provides a reconciliation of the hedging reserve in respect of foreign exchange risk and commodity price risk during the prior period.

	Foreign exchange risk RMB million	Commodity price risk RMB million	Total RMB million
Cash flow hedge reserve			
At 1 January 2024	(103)	22	(81)
Changes in fair value of hedging instruments	(117)	17	(100)
Reclassified to profit or loss – hedged items has affected profit or loss	(10)	–	(10)
Cumulative gain transferred to initial carrying amount of hedged items	–	(35)	(35)
Income tax relating to items that may be reclassified subsequently	–	3	3
At 30 June 2024	(230)	7	(223)
Of which:			
Balance related to continuing cash flow hedges	(223)		
Balance related to discontinuing cash flow hedges	–		

	Foreign exchange risk RMB million	Commodity price risk RMB million	Total RMB million
Cost of hedging reserve			
At 1 January 2024	(16)	1	(15)
Changes in fair value of time value/foreign currency basis components of time period related hedged items	58	–	58
Changes in the fair value in relation to transaction related hedged items	–	4	4
Amortisation to profit or loss of changes in fair value in relation to time period related hedged items	(34)	–	(34)
Income tax relating to items that may be reclassified subsequently	–	(1)	(1)
At 30 June 2024	8	4	12
	(222)	11	(211)

25. Acquisition of Business

a. Acquisition of business during the period ended 30 June 2025

Acquisition date	Companies acquired	Registered capital acquired	Nature of business	Consideration RMB million
17 March 2025	中油中泰(淮安)新能源有限公司 (“Zhongyou”)	100%	Retail gas sales business	18
08 April 2025	建湖泰維燃氣有限公司 (“Jianhu”)	100%	Retail gas sales business	40

Zhongyou and Jianhu were acquired (collectively referred to as “2025 Companies Acquired’) with the objective of expansion in market coverage of the Group’s business.

25. Acquisition of Business *(continued)*

a. Acquisition of business during the period ended 30 June 2025 *(continued)*

The provisional amounts of fair value of the assets and liabilities at the date of acquisition are as follows:

	RMB million
Non-current assets	
Property, plant and equipment	47
Intangible assets	19
Right-of-use assets	1
Current assets	
Trade and other receivables	3
Inventories	1
Cash and cash equivalents	1
Current liabilities	
Trade and other payables	(9)
Non-current liability	
Deferred tax liabilities	(5)
Net assets acquired	58
Total consideration satisfied by:	
Cash	48
Consideration payables	10
	58
Net cash outflow arising on acquisition:	
Cash and cash equivalents acquired	1
Less: Cash consideration paid	(48)
	(47)

25. Acquisition of Business *(continued)*

a. Acquisition of business during the period ended 30 June 2025 *(continued)*

The fair value of property, plant and equipment and intangible assets has been arrived at on the basis of a valuation carried out at the date of acquisition by an independent valuer.

Included in the profit for the period ended 30 June 2025 was RMB3 million of profit attributable to the additional businesses generated by 2025 Companies Acquired. Revenue for the period ended 30 June 2025 includes RMB14 million generated from 2025 Companies Acquired.

Had the acquisitions of 2025 Companies Acquired been completed on 1 January 2025, the revenue of the Group for the six months ended 30 June 2025 would have been approximately RMB55,681 million, and the profit for the period would have been approximately RMB2,893 million. The "pro-forma" information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is intended to be a projection of future results.

In determining the "pro-forma" revenue and result of the Group, had 2025 Companies Acquired been acquired on 1 January 2025, the Directors have calculated the depreciation and amortisation of intangible assets, right-of-use assets, property, plant and equipment acquired on the basis of the fair values rather than the carrying amounts recognised in the pre-acquisition financial statements.

b. There was no acquisition of business during the period ended 30 June 2024.

26. Fair Value Measurement of Financial Instruments

In estimating the fair value, 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 valuers to establish the appropriate valuation techniques and inputs to the model.

The following table gives information about how the fair values of financial instruments are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- 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 the lowest level inputs for the asset or liability that are not based on observable market data (unobservable inputs).

26. Fair Value Measurement of Financial Instruments *(continued)*

The Group measures its derivative financial instruments, financial assets at FVTPL and equity instruments at FVTOCI at the end of each reporting period on a recurring basis:

	Fair value as at 30 June 2025 RMB million	31 December 2024 RMB million	Fair value hierarchy	Valuation technique and key input
Financial assets				
Derivative financial instruments	**128**	335	Level 2	Discounted cash flow for swaps and forwards Present value of estimated future cash flows are based on forward rates and contract rates, discounted at a rate that reflects the credit risk of the relevant counterparty or own credit risk, when applicable Black-Scholes Model for options Fair value estimated based on strike price, commodity price, time to expiration, volatility and risk-free interest rate
Listed equity securities, equity interest in Shanghai Utilities	**249**	260	Level 1	Fair values are derived from quoted bid prices in an active market
1.13% equity interest in Sinopec Marketing – FVTPL	**3,900**	4,170	Level 3	Fair value estimated based on the P/E ratio of comparable listed companies and a liquidity discount rate
Other unlisted equity securities – FVTPL	**1**	4	Level 3	Fair values are derived from price multiples of similar assets that have been traded in the market
Listed equity securities – FVTOCI	**82**	81	Level 1	Fair values are derived from quoted bid prices in an active market
Unlisted equity securities – FVTOCI	**139**	143	Level 3	Fair values are derived from the fair values of the underlying assets and liabilities held by the investee

26. Fair Value Measurement of Financial Instruments *(continued)*

	Fair value as at 30 June 2025 RMB million	Fair value as at 31 December 2024 RMB million	Fair value hierarchy	Valuation technique and key input
Financial liabilities				
Derivative financial instruments	**344**	345	Level 2	Discounted cash flow for swaps and forwards Present value of estimated future cash flows are based on forward rates and contract rates, discounted at a rate that reflects the credit risk of the relevant counterparty or own credit risk, when applicable Black-Scholes Model for options Fair value estimated based on strike price, commodity price, time to expiration, volatility and risk-free interest rate

The Group's 1.13% equity interest in Sinopec Marketing which is classified as financial assets at FVTPL under Level 3 hierarchy amounted to RMB3,900 million as at 30 June 2025 under HKFRS 9 Financial Instruments. During the six months ended 30 June 2025, fair value loss of RMB270 million on FVTPL under Level 3 hierarchy were noted (the six months ended 30 June 2024: no loss). The significant unobservable input is the liquidity discount rate. The higher liquidity discount rate, the lower fair value of the financial assets at fair value will be. A 5% increase/decrease in the liquidity discount rate, holding all other variables constant, the fair value of the investment would decrease/increase by RMB125 million as at 30 June 2025.

Except for the said investment above, the reconciliation of level 3 fair value measurements of financial assets:

	RMB million
At 1 January 2025 (audited)	**147**
Losses recognised in other comprehensive income	**(4)**
Capital reduction	**(3)**
Addition of unlisted wealth management products	**5,907**
Disposal of unlisted wealth management products	**(5,907)**
At 30 June 2025 (unaudited)	**140**

There were no transfers between Level 1, 2 and 3 during the period.

26. Fair Value Measurement of Financial Instruments *(continued)*

Except as detailed in the following table, the Directors consider that the carrying amounts of financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximated their fair values:

	At 30 June 2025		At 31 December 2024	
	Carrying amount RMB million	**Fair value RMB million**	Carrying amount RMB million	Fair value RMB million
Financial liabilities:				
Fixed-rate bank and other loans	**5,978**	**5,711**	6,705	6,460
Senior notes	**7,395**	**7,228**	7,420	7,104

In the above table, other than the fair values of bank and other loans disclosed which are under the fair value hierarchy of Level 3, the rest of the fair values disclosed are under the fair value hierarchy of Level 2. The fair values of the senior notes are derived from the quoted prices in an over-the-counter market. The fair values of the rest of the financial liabilities at amortised cost are derived from discount cash flow technique by reference to the market interest rate of the loans with comparable maturity and credit risk of the respective group entities at the end of the reporting period.

27. Commitments

a. Capital commitments

	At 30 June 2025 RMB million	At 31 December 2024 RMB million
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of		
– acquisition of property, plant and equipment	**256**	267
– investments in joint ventures	**597**	601
– investments in associates	**479**	672
– other equity investments	**2**	2

b. Other commitments

At 30 June 2025, the Group has two long-term sale and purchase agreements to acquire LNG from international suppliers. The Group is obliged to make "take-or-pay" payment to suppliers for the quantity contracted but not delivered.

In the opinion of the Directors, such agreements are entered into and continued to be held in accordance with the Group's expected LNG purchase requirements to meet the domestic gas demands of its customers. Accordingly, these agreements qualify for own use exemption, and hence are not considered as derivative financial instruments within the scope of financial instruments standards since initial recognition.

The LNG pricing under these agreements are linked to certain oil and gas price indexes and are denominated in USD, which are common in international practice. The Directors assessed the economic characteristics and risks of the embedded derivatives and concluded that they are closely related to the economic characteristics and risks of the relevant host contracts. Accordingly, the embedded derivatives are not split from these arrangements and not separately recognised as derivative financial instruments in the condensed consolidated financial statements.

28. Related Party Transactions

Saved as disclosed in Notes 16, 17, 18, the Group had the following transactions with certain related parties:

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
Nature of transaction		
Associates		
– Sales of gas to	**700**	1,536
– Sales of materials to	**83**	66
– Purchase of gas from	**679**	1,197
– Provision of gas transportation services to	**14**	–
– Loan interest received from	**2**	1
– Loan interest paid to	**1**	1
– Deposit interest paid to	**1**	1
– Provision of gas transportation services by	**11**	9
– Provision of construction and installation services to	**69**	22
– Provision of supporting services to	**7**	5
– Provision of supporting services by	**4**	5
Joint ventures		
– Sales of gas to	**1,781**	1,784
– Sales of materials to	**177**	183
– Purchase of gas from	**2,617**	2,706
– Provision of gas transportation services to	**18**	23
– Loan interest received from	**9**	8
– Loan interest paid to	**2**	1
– Provision of supporting services to	**42**	44
– Provision of supporting services by	**64**	76
– Provision of construction services by	**5**	3
– Provision of construction and installation services to	**61**	8
– Deposit interest paid to	**–**	1
– Purchase of equipment from	**27**	27
– Provision of technology services by	**–**	3
– Provision of transportation services by	**12**	14
– Provision of energy efficiency technical services to	**2**	–
– Lease of premises to	**3**	1
– Lease of premises by	**–**	1
– Provision of administrative services by	**29**	42

28. Related Party Transactions *(continued)*

	Six months ended 30 June 2025 RMB million	2024 RMB million
Nature of transaction *(continued)*		
Companies controlled by Mr. Wang		
Transactions exempt from shareholders' approval:		
– Provision of construction services by	**469**	537
– Purchase of equipment from	**147**	65
– Provision of information technology services by	**102**	170
– Purchase of natural gas from	**779**	820
– Provision of LNG terminal usage services by	**313**	155
– Provision of risk prevention services to	**46**	–
Transactions fully exempt from shareholders' approval, annual review and all disclosure requirement:		
– Sales of gas, gasoline and diesel to	**3**	6
– Provision of construction and installation services to	**44**	14
– Provision of property management services by	**8**	7
– Provision of property management services to	**1**	1
– Provision of outsourcing services by	**10**	8
– Lease of premises from	**4**	2
– Lease of premises to	**4**	3
– Sales of materials to	**24**	25
– Provision of administrative services by	**14**	20
– Provision of supporting services to	**8**	26
– Provision of technology services to	**39**	59
– Provision of electronic business services by	**25**	19
– Loan interest received from	**2**	2
– Purchase of equity interest from	**–**	10
– Provision of energy efficiency technical services to	**8**	7
– Provision of logistic services to	**14**	30

Except for the transactions above, a subsidiary of the Group has entered into a leasing agreement with a joint venture for the use of LNG Supply Vessel for a period of 10 years which will be matured in 2032 for a daily charge of RMB150,000 payable monthly. At 30 June 2025, a right-of-use asset and lease liability of RMB312 million and RMB323 million was recognised (31 December 2024: RMB333 million and RMB342 million).

At 1 January 2024, the Company entered into a back-to-back agency agreement with a significant shareholder of the Company, pursuant to which the significant shareholder agreed to procure natural gas on behalf of the Company at market price without charging any agency fees or commission. Through such agency agreement, the Company purchased approximately RMB2,384 million (six months ended 30 June 2024: RMB2,319 million) of natural gas from an independent third-party supplier during the period.

28. Related Party Transactions *(continued)*

The Company issued senior notes on 17 May 2022 and 17 September 2020. The terms and conditions of these debts require Mr. Wang and any affiliate of him to retain certain percentage of shareholding over the Company, failing which the Company would be required to repay or repurchase all outstanding debts at predetermined prices.

Financial guarantee contracts

As at 30 June 2025, the guaranteed facilities amount utilised by the joint ventures and an associate were approximately RMB516 million (31 December 2024: RMB300 million).

As at 30 June 2025, the carrying amount of financial guarantee contracts of the Group is RMB30 million (31 December 2024: RMB32 million).

Compensation of key management personnel

The compensation to key management personnel during the period is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Short-term employee benefits	**8,021**	8,024
Post-employment benefits	**510**	488
	8,531	8,512

29. Non Adjusting Events after the Reporting Date and Contingent Liabilities

On 18 March 2025, Xinneng (Hong Kong) Energy Investment Limited, a substantial shareholder of the Company, proposed to privatise the Company by way of a scheme of arrangement pursuant to section 86 of the Companies Act (2025 Revision) of the Cayman Islands. This transaction is not yet completed and the Company has regularly updated the transaction details through publications or announcements.

Saved as disclosed above, there is no other material event that casted material impact on the Group since the end of the reporting period, and the Group has no material contingent liability as at 30 June 2025.

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