



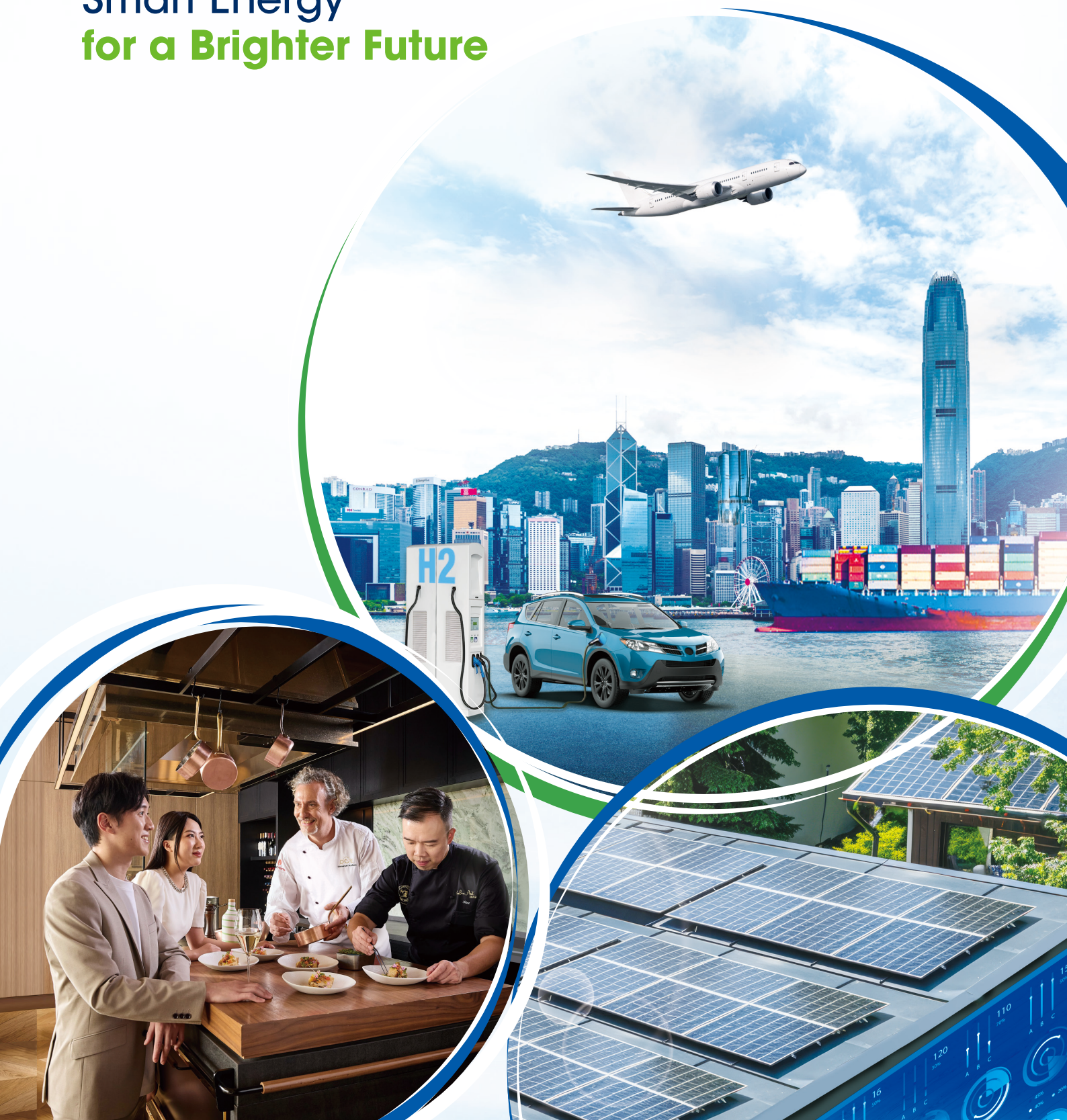
香港中華煤氣有限公司

The Hong Kong and China Gas Company Limited

(Stock Code: 3)

2025 Interim Report

Smart Energy
for a Brighter Future



Board of Directors

Non-executive Directors

Lee Ka-kit (Chairman)
Lee Ka-shing (Chairman)
Colin Lam Ko-yin
Andrew Fung Hau-chung

Independent Non-executive Directors

David Li Kwok-po
Poon Chung-kwong
Moses Cheng Mo-chi
Anna Wong Wai-kwan

Executive Directors

Peter Wong Wai-yee (Managing Director)
Yeung Lui-ming (Chief Financial Officer)
Chan Ying-lung (Chief Investment Officer)

Company Secretary

Elsa Wong Lai-kin

Board Audit and Risk Committee

David Li Kwok-po (Chairman)
Poon Chung-kwong
Moses Cheng Mo-chi
Anna Wong Wai-kwan

Remuneration Committee

David Li Kwok-po (Chairman)
Lee Ka-kit
Lee Ka-shing
Poon Chung-kwong
Moses Cheng Mo-chi
Anna Wong Wai-kwan

Nomination Committee

Lee Ka-kit (Chairman)
Lee Ka-shing (Chairman)
David Li Kwok-po
Poon Chung-kwong
Moses Cheng Mo-chi
Anna Wong Wai-kwan

Board Environmental, Social and Governance Committee

Peter Wong Wai-yee (Chairman)
Moses Cheng Mo-chi
Anna Wong Wai-kwan
Yeung Lui-ming

Registered Office

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North Point, Hong Kong

Company's Website

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Share Registrar

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Wanchai, Hong Kong
Tel: 2862 8555
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Auditor

PricewaterhouseCoopers
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
22nd Floor, Prince's Building
Central, Hong Kong

Investor Relations

Group Investor Relations Department
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Corporate Affairs Department

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Company Secretarial Department

Tel: 2963 3292
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e-mail: compsec@towngas.com

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Financial Highlights

Highlights of the unaudited results of the Group's business for the first half of 2025 and the comparative figures for the corresponding period last year, unless otherwise stated, are as follows:

Revenue

(HK million dollars)



27,514

2024
27,496

Group operating after-tax profit

(HK million dollars)



3,996

2024
3,885

Core operating profit

(HK million dollars)



3,084

2024
3,186

Profit attributable to shareholders

(HK million dollars)



2,964

2024
3,040

Basic earnings per share

(HK cents)



15.9

2024
16.3

Interim dividend per share

(HK cents)



12.0

2024
12.0

Financial Highlights

Town gas sold (Hong Kong)

(million MJ)



Gas sold by city-gas business (Chinese mainland)

(million cubic metres)



Number of customers (Hong Kong)

(as at 30th June, thousand)



Number of city-gas customers (Chinese mainland)

(as at 30th June, thousand*)



* Inclusive of all mainland city-gas projects of the Group
as at 31st December 2024

Interim Dividend

The Directors have declared an interim dividend of HK12 cents per share payable to shareholders whose names are on the Register of Members of the Company as at 5th September 2025, being the record date for determining shareholders' entitlement to the interim dividend. The Register of Members will be closed from Thursday, 4th September 2025 to Friday, 5th September 2025 (both days), during which period no share transfers will be effected. Dividend warrants will be posted to shareholders on Monday, 15th September 2025.



Management Discussion and Analysis

In the first half of 2025, both the Group's traditional utility businesses and growth businesses maintained steady development, demonstrating strong resilience. This highlights the results of the Group's efforts to improve quality and enhance efficiency in recent years. Accordingly, the Group's after-tax operating profit during the period increased by 3 per cent.

Utility Businesses

Hong Kong Utility

Lower temperatures at the beginning of the year compared to the same period last year led to an increase of 209 million MJ in residential gas sales. At the same time, the HKSAR Government's active efforts to promote tourism and encourage local consumption boosted the market. In addition, the Group's completion of several large-scale gas facility installation projects in Grade A office buildings, sports venues, hotels, and hospitals during the period, helped to offset some of the impact caused by Hong Kong residents travelling abroad or spending on the Chinese mainland.

As at 30th June this year, the local gas sales volume reached 14,935 million MJ (equivalent to approximately 430 million cubic metres of natural gas). This figure remains essentially stable year-on-year. The number of customers was approximately 2.04 million, an increase of over 5,000 compared to the end of 2024. As the Group is actively supporting and participating in the Northern Metropolis development, it is expected to drive further growth in gas sales volumes into the future.

The Group has been actively promoting the application of its gas dehumidification systems. This service helps commercial buildings to significantly reduce the proportion of cooling energy needed while also furthering low-carbon operations. Currently, this gas dehumidification process has been put into use in several landmark projects, including The Henderson in Central, Union Hospital, newly completed hotels, as well as the Kai Tak Sports Park.

The Group's combined heat and power ("CHP") systems, which utilise gas generators to simultaneously produce heat and electricity, have achieved significant results in healthcare applications. Following the Alice Ho Miu Ling Nethersole Hospital in Tai Po becoming the first medical institution in Hong Kong to use this system, the North District Hospital expansion project will also use a "tri-generation" system for cooling, heating, and power. By generating electricity through biogas combustion, the heat and steam produced in the process can be used by the hospital for medical sterilisation, laundry and patient bathing services. This system is expected to save the user as much as HK\$5 million in energy costs annually while reducing carbon emissions by 3,900 tonnes.

During the period, the Group continued to work closely with the catering industry, encouraging improvements in professional cooking equipment efficiency while also assisting mainland catering businesses to expand into the Hong Kong market.

Mainland Utilities

In the city-gas sector, affected by tariff issues, economic conditions and a mild winter in North China, national natural gas consumption fell by 0.9 per cent in the first half of the year. The Group, however, maintained stable gas sales volumes. Despite the ongoing downturn in the mainland property market, which has impacted the Group's connection businesses, the number of city-gas customers increased by 980,000 in the first half of the year. At the same time, the Group actively pursued cost pass-throughs, with a marked increase in the city-gas dollar margin by 8 per cent to RMB0.54 per cubic metre.

The Group actively pursued market expansion, using energy-saving retrofitting as an entry point to promote gas substitution for steam, electricity, oil and other energy sources. In the first half of the year, the Group secured 75 new large-scale industrial and commercial customers, adding annual gas consumption of 240 million cubic metres to its business. In areas such as Jiangsu Province and Zhejiang Province, the Group promoted direct-fired heat exchange retrofits for dyeing vats in the textile industry, achieving energy savings of over 20 per cent. In electricity-to-gas conversion, the Group has forged strong partnerships with equipment manufacturers to implement technical upgrades across various applications, including industrial hot-air drying and commercial dishwashers. By fully capitalising on the combined advantages of gas in terms of efficiency, cost-effectiveness and environmental benefits, the Group has successfully expanded its market.

In the "Gas+" business, the Group focused on expanding business sectors that involve energy efficiency improvement for industrial and commercial customers, energy trusteeship for public institutions, as well as integrated energy solutions for industrial parks. Capitalising on the safety and technical expertise of its city-gas enterprises, the Group has developed its industrial and commercial gas maintenance services business.

The mainland utility businesses delivered a solid overall performance. Profits from the city-gas business remained broadly flat year-on-year. While the midstream business experienced some profit decline due to macroeconomic volatility, the Group actively mitigated this impact through refined operational management and cost controls. The water and environmental businesses benefitted from increased water sales volumes and cost optimisation, resulting in improved profitability.

Gas Resources Business

The Group's gas resources segment played a significant role in ensuring supply security while reducing costs for over 300 of the Group's city-gas businesses. Through a "centralised negotiations and individual contracts" approach, the Group negotiates directly with upstream suppliers on gas supply and pricing to maximise the interests of its city-gas enterprises.

The Group has secured long-term international liquefied natural gas ("LNG") import agreements totalling 1.5 million tonnes annually. Set to commence in 2027, the first batch will amount to approximately 500,000 tonnes. This will effectively reduce procurement costs for downstream joint ventures. Concurrently, the segment is accelerating the development of proprietary gas resources.

The Group's Jintan gas storage facility in Changzhou, Jiangsu Province, entered a new phase of multi-reservoir synchronised operations in the first half of the year. As a market-oriented emergency peak-shaving facility, the Jintan storage facility offers high flexibility. The gas resources segment actively collaborates with upstream companies to fully leverage the facility's flexible dispatch capabilities, enhancing overall emergency supply assurance and market peak-shaving efficiency.

Growth Businesses

Renewable Energy Business

A series of favourable policies at the state level has further standardised and optimised the renewable energy market, creating a sound business and competitive environment that aligns closely with the Group's business strengths.

As at 30th June 2025, the Group and its subsidiary Towngas Smart Energy Company Limited ("Towngas Smart Energy", stock code: 1083.HK) had developed 128 zero-carbon smart industrial parks across 24 provincial regions. The installed capacity of commercial and industrial distributed photovoltaics (PV) reached 2.6 GW, showing steady growth from the end of 2024 with new grid connections of 0.3 GW. The contracted capacity for commercial and industrial energy storage reached 775 MWh, with a cumulative grid-connected capacity of 260 MWh. In the first half of 2025, the Group's photovoltaic electricity sales reached 1.18 billion kWh, up 44 per cent year-on-year, with a power transaction settlement scale of 3.64 billion kWh, up 14 per cent, demonstrating the continued expansion of the Group's influence in the market.

In terms of business model innovation, the Group has been vigorously developing its "Energy as a Service" ("EaaS") offering and building an integrated "photovoltaic + energy storage + electricity sales" carbon-reducing business model to address the challenges posed by market-driven fluctuations in renewable energy electricity pricing.

In parallel with these initiatives, the Group continued to deepen its Assets under Management ("AuM") strategy, actively introducing strategic investors to diversify investment risks and reduce pressures in expenditure. To this end, the Group successfully issued the "Zero Carbon Smart Phase 2" asset-backed securities programme ("quasi-REIT") product in the first half of the year, raising approximately RMB470 million to enhance cash flow. The Group is also planning to issue quasi-REITs in the second half of the year. Moving forward, the Group will continue to build diversified financing channels to intensify investment in its renewable energy businesses.

In terms of technological innovation, the Group increased the investment in its energy technology platform, comprehensively upgrading its smart energy ecosystems and optimising trading algorithms with cutting-edge technology. The Group is also leveraging artificial intelligence ("AI") to develop refined asset management and scientific trading strategies to improve project investment returns.

Sustainable Aviation Fuel

During the period, EcoCeres, Inc., incubated by the Group and in which the Group holds a strategic stake, reached a multi-year sustainable aviation fuel ("SAF") supply agreement with British Airways. This collaboration will help the counterparty reduce approximately 400,000 tonnes of carbon emissions, equivalent to the total emissions of about 240,000 economy-class passengers on round-trip flights between London and New York.

A new EcoCeres plant located in Malaysia will be commissioned within the year, with a total annual production capacity exceeding 400,000 tonnes.

Green Methanol

After two years of market cultivation, the Group's green methanol products have been successfully certified and have won widespread market recognition, marking the beginning of a "boom period" as the business achieves substantial growth. Significant orders have been secured, some of which have already begun shipping in the first half of this year. The sales volume for the entire year is anticipated to reach 20,000 tonnes.

In the first half of the year, the Group established a new investment platform, VENEX, with Foran Energy Group Company Limited, with each party holding a 50 per cent stake. The Group will inject its green methanol plant in Ordos, Inner Mongolia (Inner Mongolia ECO Coal Chemical Technology Company Limited) into VENEX to expand production capacities. The new plant in Foshan in the Greater Bay Area is expected to go into production in 2027 with a Phase 1 production capacity of 200,000 tonnes.

Meanwhile, the Group has been actively expanding its partnership networks, collaborating with Singapore's Global Energy Trading Pte Ltd, the Singapore-based marine fuel supplier Golden Island Pte Ltd, Pacific Basin Shipping Limited, Royal Vopak of the Netherlands, the HKSAR Government, and others, to develop supply chains and distribution networks.

Hydrogen Energy

With the extensive experience in city-gas operation and energy management, the Group dynamically develops hydrogen energy demonstration projects in transportation, construction site power generation and in other fields. The hydrogen energy business developed by the Group in Hong Kong includes hydrogen power generation, as well as integrated new energy power generation solutions for construction sites and other scenarios. Currently, the first public electric vehicle automatic hydrogen energy charging system in Hong Kong, a collaboration between the Group and the Hong Kong Science and Technology Parks Corporation, has been launched. Additionally, the Group will also be responsible for providing hydrogen power generation for the golf venue of the 15th National Games to be held in Hong Kong.

The Group's first green hydrogen project in Hong Kong, located at the landfill extension in Tseung Kwan O, is expected to be completed and operational in 2026. It will produce 330 kg of green hydrogen daily by converting biogas collected from the landfill.

Extended Businesses

The Group's subsidiary, Towngas Lifestyle, following the integration of its mainland and Hong Kong operations in 2024, attracted significant investor attention and completed its first round of strategic financing of US\$45 million in the first half of this year. The raised funds will enable Towngas Lifestyle to grow in scale nationwide, enhance its product and service capabilities, while also upgrading its digital platform capabilities in both its AI and IoT platforms. The Group's extended businesses are also committed to providing quality services to 45 million household gas users.

The smart kitchen business capitalised on opportunities arising from the "trade-in" market, with sales growing 25 per cent year-on-year in the first half of the year. In the insurance business, household comprehensive insurance increased to account for 50 per cent of total insurance sales. In Hong Kong, the Group also curated top-quality "white goods" to offer consumers a one-stop solution for a premium "home living" experience.

Environmental, Social and Governance

Through the Environmental, Social and Governance (“ESG”) Committee’s leadership and the commitment of all employees, the Group’s ESG efforts have earned widespread recognition, including:

1. The Group was the only Chinese gas utility to rank in the top 1% of the Corporate Sustainability Assessment (“CSA”);
2. The Group has been featured in the S&P Global Sustainability Yearbook (China Edition) for three consecutive years;
3. The Group’s MSCI ESG rating has been upgraded to AA this year;
4. All gas cooking appliances and instantaneous water heaters now bear Energy Efficiency Labels.

On the social engagement front, events held included:

1. The Towngas Green Flame STEAM Summer Camp, which was launched to guide students to explore energy and environmental issues in depth;
2. In collaboration with the Hong Kong Federation of Trade Unions, the Gas Guardian Care Network pilot programme unfolded to utilise gerontechnology to enhance home safety for seniors;
3. In partnership with Maxim’s Group, 10,000 free “soft meals” were provided to elderly care home residents to help those with swallowing difficulties.

Business Outlook for 2025

Facing a complex external environment, including factors such as tariff unilateralism, which have affected global supply chains and prices, the Group has proactively deployed measures and adopted prudent financial management. These efforts include maintaining capital investments at low levels, divesting non-core assets and maximising asset value through accelerated restructuring, to continue maintaining the Group’s steady progress forward.

Looking ahead to the second half of the year, tourist arrivals are expected to drive gas consumption in hotels, theme parks and other sectors, although rising temperatures and increased outbound travel may impact gas demand. Overall gas sales in Hong Kong are expected to remain broadly flat year-on-year.

On the mainland, after 30 years of operations, the Group’s city-gas pipeline network has matured, allowing for reduced capital investment. Overall, the Group will continue to pursue an asset-light development model. Going forward, the Group will focus on optimising daily operations through technology, including leveraging artificial intelligence, refining the workforce structure and increasing the employee-to-customer ratio. These initiatives will unlock human resources potential throughout the Group, while at the same time, fostering new quality productive forces.

Amid the severe challenges facing the global environment and climate, the Group's renewable energy business and green fuel initiatives across the marine, land and air transport sectors will serve as the main drivers of business development and areas of key profit growth. In the renewable energy sector, the Group will continue its integrated business model encompassing investment, construction and operation, as well as promoting "PV + storage + sales" services to effectively navigate industry challenges. In the meantime, the Group will continue to vigorously advance green fuel initiatives across the marine, land and air transport sectors. Following the integration of the Group's Inner Mongolia green methanol production facility into the new platform, substantial improvements are anticipated in both production capacity and distribution channels. As shipping companies progressively launch new vessels compliant with international emission regulations, this will inevitably drive demand for green methanol. In terms of sustainable aviation fuel, as more countries establish stricter green fuel requirements, demand for sustainable aviation fuel is set to become increasingly inelastic. Regarding hydrogen energy, the Group will expand its application scenarios in Hong Kong and the mainland. This will include the dynamic development of hydrogen power solutions for construction sites and remote areas.

The Group's strategies and goals are to maintain steady growth in the utility businesses while positioning its growth businesses as new drivers for its future expansion. The Group is thus further optimising its cash flow management to support business development and mitigate risks. Capitalising on its advantages in talent, technology and market positioning, the Group is fully committed to achieving rapid profit growth and delivering strong returns to its stakeholders in recognition of their continuing trust and support.



Financial Review

Revenue

For the first half of 2025, the Group's total gas sales volume remained constant as compared to the corresponding period last year. The Group's turnover was affected by multiple factors, including the adjustment on standard gas tariff for customers in Hong Kong effective from August 2024; the continued improvement in cost pass-throughs of piped gas on the Chinese mainland; yet the ongoing downturn in the mainland property market has led to a decrease in new household gas connection; and a 1 per cent depreciation of the RMB against the Hong Kong dollar average exchange rate compared to the corresponding period last year. Combining with abovementioned factors, the Group recorded consolidated revenue of HK\$27,514.2 million, at similar level as the corresponding period last year.

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M (restated)
Gas sales after fuel cost adjustment	21,479.2	21,296.3
Gas connection income	974.2	1,233.2
Equipment sales and maintenance services	1,779.0	1,734.4
Water, waste treatment and related sales	827.7	831.9
Renewable energy businesses	762.5	754.8
Other sales	1,691.6	1,645.6
Total	27,514.2	27,496.2

Total Operating Expenses

Total operating expenses of the Group included gas fuel, stores and materials used, manpower costs, depreciation and amortisation and other operating expenses. Total operating expenses in the first half of 2025 amounted to HK\$22,877.4 million, representing a decrease of 1 per cent compared to the corresponding period last year.

	Six months ended 30th June	
	2025 HK\$M	2024 HK\$M
Gas fuel, stores and materials used	16,173.4	16,657.4
Manpower costs	1,954.5	1,971.8
Depreciation and amortisation	1,831.4	1,784.4
Other operating expenses	2,918.1	2,747.1
Total	22,877.4	23,160.7

Total operating expenses and its ratio to total revenue remained stable as compared to the corresponding period last year.

Other Losses/Gains, Net

In the first half of current year, other losses/gains, net recorded losses of HK\$38.7 million as compared to gains of HK\$361.7 million in the corresponding period last year. The main reasons were primarily attributable to net exchange losses of HK\$152.8 million (2024 corresponding period: net exchange gains of HK\$62.9 million) and fair value loss of HK\$0.6 million of the embedded derivative component of convertible bonds (2024 corresponding period: fair value gain of HK\$65.8 million) and impairment loss for assets of HK\$41.0 million in the corresponding period last year.

Interest Expense

The interest expense of the Group decreased by 12 per cent from HK\$1,114.7 million in the corresponding period last year to HK\$985.5 million. Stringent control of capital expenditure and successful securing of lower interest loans have reduced the finance costs.

Share of Results of Associates

The share of profits of associates decreased by 23 per cent to HK\$534.8 million as compared to HK\$691.3 million in the corresponding period last year, mainly due to lower profit margin of advanced biofuel which is exposed to short-term market volatility.

Share of Results of Joint Ventures

The share of profits of joint ventures increased by 20 per cent to HK\$359.4 million as compared to HK\$300.4 million in the corresponding period last year. This was mainly driven by certain Chinese mainland city-gas joint ventures concluding cost pass-throughs, resulting in an improvement in the gas margin.

Profit for the Period

For the first half of 2025, profit attributable to shareholders of the Company amounted to HK\$2,964 million, representing a decrease of 3 per cent compared to the corresponding period last year. Basic earnings per share amounted to HK15.9 cents, a decrease of 3 per cent as compared to the corresponding period last year.



Financial Resources Review

Liquidity and Capital Resources

As at 30th June 2025, the Group had a net current borrowings position of HK\$9,325 million (31st December 2024: HK\$7,101 million) and long-term borrowings of HK\$43,211 million (31st December 2024: HK\$43,961 million). In addition, banking facilities available for use amounted to HK\$31,200 million (31st December 2024: HK\$30,000 million).

The operating and capital expenditures of the Group are funded by cash flow from operations, internal liquidity, banking facilities, debt and equity financing. The Group has adequate and stable sources of funds, unutilised banking facilities and Medium Term Note Programmes to meet its future capital expenditures and working capital requirements.

Financing structure

In May 2009, the Group established a US\$1 billion Medium Term Note Programme (the “Programme”) which gives the Group the flexibility to issue notes at favourable terms and timing. In June 2021, the Programme was updated with the size increased to US\$5 billion. Medium term notes totalling HK\$2,034 million, with an average tenor of 3.9 years, have been issued so far in 2025. In line with the Group’s long-term business investments, as at 30th June 2025, the total nominal amount of medium term notes issued has reached HK\$25 billion with tenors ranging from 2 to 40 years, mainly at fixed interest rates with an average of 3.5 per cent per annum and an average tenor of 12.5 years. In addition, our major listed subsidiary company Towngas Smart Energy Company Limited (“Towngas Smart Energy”) also established its Medium Term Note Programme of US\$2 billion in June 2021, which adds flexibility and capacity to its financing, and thus strengthening its financial position. In April 2022, Towngas Smart Energy issued its first 5-year Sustainability-Linked Bond (the “SLB”) and raised a total of US\$200 million. As at 30th June 2025, the total nominal amount of medium term notes issued has reached RMB1.8 billion, mainly at fixed interest rates with an average of 4.2 per cent per annum and an average tenor of 4.4 years. The carrying value of the issued notes in Renminbi (“RMB”), Australian dollar (“AUD”), Japanese yen (“JPY”), United States dollar (“USD”) and Hong Kong dollar under the Programmes (the “MTNs”) as at 30th June 2025 was HK\$26,876 million (31st December 2024: HK\$25,983 million).

To further diversify the funding sources, Towngas Smart Energy issued its first 1-year and 3-year Panda Bonds on the Chinese mainland in June 2023, raising a total of RMB1.5 billion with an average annual interest rate of 3.27 per cent. Among them is the first sustainability-linked Panda Bond issued by a Hong Kong enterprise on the Chinese mainland. The 1-year RMB1 billion Panda Bond was repaid on 12th June 2024. The carrying value of the Panda Bond as at 30th June 2025 was HK\$549 million.

Additionally, to enhance the flexibility and ability of financing and strengthen its financial position, Towngas Smart Energy issued its second quasi-REIT product on the Chinese mainland in the first half of 2025, with a scale of approximately RMB470 million, featuring a senior class security coupon rate of 2.2 per cent.

As at 30th June 2025, the Group's borrowings amounted to HK\$60,959 million (31st December 2024: HK\$57,422 million). Convertible bonds ("CB") of nominal amount at RMB1,836 million were issued by Towngas Smart Energy to a strategic investor in November 2021 and the carrying value of the debt component of the issued CB as at 30th June 2025 was HK\$1,932 million (31st December 2024: HK\$1,850 million). While the majority of the notes and CB mentioned above together with some banks and other loans had fixed interest rate and were unsecured, a certain portion of notes and the remaining bank and other loans were unsecured and had a floating interest rate, of which HK\$13,846 million (31st December 2024: HK\$13,526 million) were long-term and HK\$7,347 million (31st December 2024: HK\$7,623 million) had maturities within one year. As at 30th June 2025, the maturity profile of the Group's borrowings was 29 per cent within 1 year, 18 per cent within 1 to 2 years, 38 per cent within 2 to 5 years and 15 per cent over 5 years (31st December 2024: 23 per cent within 1 year, 26 per cent within 1 to 2 years, 31 per cent within 2 to 5 years and 20 per cent over 5 years).

As at 30th June 2025, the AUD, JPY and a certain portion of RMB notes issued and the USD SLB issued by Towngas Smart Energy are hedged to Hong Kong dollar or Renminbi respectively by currency swaps. Except for the borrowings under Towngas Smart Energy and that of the subsidiaries in the Chinese mainland are arranged in or hedged to their functional currency in Renminbi, the Group's borrowings are primarily denominated in Hong Kong dollar after swap (Hong Kong dollar borrowings: HK\$33,051 million; Renminbi borrowings: HK\$5,731 million).

The gearing ratio [net borrowings/(total equity + net borrowings)] for the Group as at 30th June 2025 was 43 per cent (31st December 2024: 43 per cent).

Guarantee

As at 30th June 2025 and 31st December 2024, the Group did not provide any guarantee in respect of bank borrowing facilities made available to any associates, joint ventures or third parties.

Currency profile

The Group's operations and activities are predominantly based in Hong Kong and the Chinese mainland. As such, its cash, cash equivalents or borrowings are mainly denominated in Hong Kong dollar, Renminbi or United States dollar, whereas borrowings for the Group's subsidiaries, associates and joint ventures in the Chinese mainland are predominantly denominated in the local currency, Renminbi, in order to provide natural hedging for the investment there.

Credit Ratings

Moody's Investors Service maintained the issuer rating of The Hong Kong and China Gas Company Limited at "A1" with a "stable" outlook rating. Standard & Poor's also affirmed the long-term corporate credit rating of The Hong Kong and China Gas Company Limited at "A-" and its rating outlook as "stable".



Other Information

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 4th September 2025 to Friday, 5th September 2025 (both days), during which period no transfer of shares will be registered. **In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 3rd September 2025.**

Disclosure of Interests

A. Directors

As at 30th June 2025, the interests and short positions of each Director of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

(1) Ordinary shares (unless otherwise specified) and underlying shares (Long positions)

Name of company	Name of director	Capacity	Interest in shares			Interest in underlying shares pursuant to share options	Aggregate interests	%*
			Personal interests	Corporate interests	Other interests			
The Hong Kong and China Gas Company Limited	Lee Ka-kit	Discretionary beneficiary of discretionary trusts			7,748,692,715 (Notes 2 & 3)		7,748,692,715	41.53
	Lee Ka-shing	Discretionary beneficiary of discretionary trusts			7,748,692,715 (Notes 2 & 3)		7,748,692,715	41.53
	David Li Kwok-po	Beneficial owner	61,000,000				61,000,000	0.33
	Poon Chung-kwong	Interests held jointly with another person	243,085 (Note 4)				243,085	0.00
Lane Success Development Limited	Lee Ka-kit	Discretionary beneficiary of discretionary trusts			9,500 (Notes 3 & 5)		9,500	95
	Lee Ka-shing	Discretionary beneficiary of discretionary trusts			9,500 (Notes 3 & 5)		9,500	95
Yieldway International Limited	Lee Ka-kit	Discretionary beneficiary of discretionary trusts			2 (Notes 3 & 6)		2	100
	Lee Ka-shing	Discretionary beneficiary of discretionary trusts			2 (Notes 3 & 6)		2	100
Towngas Smart Energy Company Limited ("Towngas Smart Energy")	Lee Ka-kit	Discretionary beneficiary of discretionary trusts			2,511,142,069 (Notes 3 & 7)		2,511,142,069	72.11
	Lee Ka-shing	Discretionary beneficiary of discretionary trusts			2,511,142,069 (Notes 3 & 7)		2,511,142,069	72.11
	Peter Wong Wai-yee	Beneficial owner	9,746,000 (Note 8)			3,600,000 (Note 10)	13,346,000	0.38
	Yeung Lui-ming	Beneficial owner	500,000			500,000 (Note 10)	1,000,000	0.03
	Chan Ying-lung	Beneficial owner	2,799,245 (Note 9)			1,800,000 (Note 10)	4,599,245	0.13
EcoCeres, Inc.	Lee Ka-kit	Interest of controlled corporations		292,717 (Series B Preferred Shares) (Note 11)			292,717 (Series B Preferred Shares) (Note 11)	6.63
	Peter Wong Wai-yee	Beneficial owner				41,818 (Note 10)	41,818	0.36
	Chan Ying-lung	Beneficial owner				61,818 (Note 10)	61,818	0.53

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

(2) Options to subscribe for shares of Towngas Smart Energy (Long positions)

Pursuant to the share option scheme of Towngas Smart Energy (the "TSEL Share Option Scheme"), a listed subsidiary of the Company, certain Directors of the Company (who are also directors of Towngas Smart Energy and/or its subsidiaries) have been granted options to subscribe for the shares of Towngas Smart Energy, details of which as at 30th June 2025 were as follows:

Name of company	Name of director	Date of grant	Exercise period	Vesting date	Exercise price (HK\$)	Number of shares of Towngas Smart Energy subject to outstanding options as at 01.01.2025	Number of shares of Towngas Smart Energy subject to outstanding options as at 30.06.2025
Towngas Smart Energy and its subsidiaries	Peter Wong Wai-yee	25.11.2022	25.11.2023 – 24.11.2025	25.11.2023	3.40	1,800,000	1,800,000
		18.03.2025	18.03.2026 – 17.03.2028	18.03.2026	3.57	N/A	1,800,000
Towngas Smart Energy's subsidiaries	Yeung Lui-ming	18.03.2025	18.03.2026 – 17.03.2028	18.03.2026	3.57	N/A	500,000
	Chan Ying-lung	25.11.2022	25.11.2023 – 24.11.2025	25.11.2023	3.40	900,000	900,000
		18.03.2025	18.03.2026 – 17.03.2028	18.03.2026	3.57	N/A	900,000

(3) Options to subscribe for shares of EcoCeres, Inc. (Long positions)

Pursuant to the share option scheme of EcoCeres, Inc., an associated corporation of the Company, certain Directors of the Company (who are also directors of EcoCeres, Inc.) have been granted options to subscribe for the shares of EcoCeres, Inc., details of which as at 30th June 2025 were as follows:

Name of company	Name of director	Date of grant	Exercise period	Vesting period	Exercise price (US\$)	Number of shares of EcoCeres, Inc. subject to outstanding options as at 01.01.2025	Number of shares of EcoCeres, Inc. subject to outstanding options as at 30.06.2025
EcoCeres, Inc.	Peter Wong Wai-yee	28.04.2023	28.04.2023 – 27.04.2033	–	57.00	31,818	31,818
		15.03.2024	15.03.2024 – 14.03.2034	31.12.2024 – 31.12.2028	112.16	10,000	10,000
	Chan Ying-lung	28.04.2023	28.04.2023 – 27.04.2033	–	57.00	31,818	31,818
		28.02.2024	28.02.2024 – 27.02.2034	31.12.2024 – 31.12.2028	112.16	30,000	30,000

Save as mentioned above, as at 30th June 2025, there were no other interests or short positions of the Directors of the Company in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

B. Substantial Shareholders and Others (Long Positions)

As at 30th June 2025, the interests and short positions of every person, other than the 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 the SFO were as follows:

	Name of company	Capacity	No. of Shares in which interested	%*
Substantial Shareholders (a person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting)	Disraei Investment Limited (Note 1)	Beneficial owner	4,313,717,809	23.12
	Timpani Investments Limited (Note 1)	Interest of controlled corporations	5,989,193,083	32.10
	Faxson Investment Limited (Note 1)	Interest of controlled corporations	7,748,692,715	41.53
	Henderson Land Development Company Limited (Note 1)	Interest of controlled corporations	7,748,692,715	41.53
	Henderson Development Limited (Note 1)	Interest of controlled corporations	7,748,692,715	41.53
	Hopkins (Cayman) Limited (Notes 2 & 3)	Interest of controlled corporations	7,748,692,715	41.53
	Riddick (Cayman) Limited (Notes 2 & 3)	Trustee	7,748,692,715	41.53
	Rimmer (Cayman) Limited (Notes 2 & 3)	Trustee	7,748,692,715	41.53
Persons other than Substantial Shareholders	Macrostar Investment Limited (Note 1)	Beneficial owner	1,759,499,632	9.43
	Chelco Investment Limited (Note 1)	Interest of controlled corporations	1,759,499,632	9.43
	Medley Investment Limited (Note 1)	Beneficial owner	1,675,475,274	8.98

* Percentage which the aggregate long position in the shares represents to the number of issued shares of the Company.

Save as mentioned above, as at 30th June 2025, the register maintained by the Company pursuant to section 336 of the SFO recorded no other interests or short positions in the shares and underlying shares of the Company.

Notes:

1. These 7,748,692,715 shares were beneficially owned by Macrostar Investment Limited ("Macrostar"), Medley Investment Limited ("Medley") and Disralei Investment Limited ("Disralei"). Macrostar was a wholly-owned subsidiary of Chelco Investment Limited, which was in turn, a wholly-owned subsidiary of Faxson Investment Limited ("FIL"). Medley and Disralei were wholly-owned subsidiaries of Timpani Investments Limited, which was in turn, a wholly-owned subsidiary of FIL. FIL was a wholly-owned subsidiary of Henderson Land Development Company Limited ("HLD"). Henderson Development Limited ("HD") was entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of HLD.
2. These 7,748,692,715 shares are duplicated in the interests described in Note 1. Hopkins (Cayman) Limited ("Hopkins") owned all the issued ordinary shares which carry the voting rights in the share capital of HD as trustee of a unit trust ("Unit Trust"). Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of the respective discretionary trusts, held units in the Unit Trust. Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing, as discretionary beneficiaries of the discretionary trusts, were taken to have duties of disclosure in relation to these shares by virtue of Part XV of the SFO.
3. These 7,748,692,715 shares are duplicated in the interests described in Notes 1 and 2. All the issued shares in Rimmer, Riddick and Hopkins were beneficially owned by the late Dr. the Hon. Lee Shau-kee, and his sons, each of Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing will inherit certain shares in Rimmer, Riddick and Hopkins. Rimmer and Riddick (the relevant trustees of the respective discretionary trusts) hold units in the Unit Trust of which Hopkins is the trustee as described in Note 2, but each is not entitled to any interest in its trust assets which are, in the ordinary course of business, held by Hopkins as trustee of the Unit Trust independently without any reference to shareholders of Hopkins, and each of Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing remains to be one of the discretionary beneficiaries of such discretionary trusts.
4. These 243,085 shares were jointly held by Prof. the Hon. Poon Chung-kwong and his spouse.
5. These 9,500 shares in Lane Success Development Limited were beneficially owned by a wholly-owned subsidiary of the Company (as to 4,500 shares) and a wholly-owned subsidiary of HLD (as to 5,000 shares). Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing were taken to be interested in HLD and the Company as set out in Notes 1 and 2 by virtue of Part XV of the SFO.
6. These 2 shares in Yieldway International Limited were beneficially owned by a wholly-owned subsidiary of the Company (as to 1 share) and a wholly-owned subsidiary of HLD (as to 1 share). Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing were taken to be interested in HLD and the Company as set out in Notes 1 and 2 by virtue of Part XV of the SFO.
7. These 2,511,142,069 shares in Towngas Smart Energy representing approximately 72.11% of the total number of issued shares in Towngas Smart Energy were taken to be interested by Hong Kong & China Gas (China) Limited ("HK&CG (China)") (as to 2,294,831,459 shares), Planwise Properties Limited ("Planwise") (as to 212,691,473 shares) and Superfun Enterprises Limited ("Superfun") (as to 3,619,137 shares), wholly-owned subsidiaries of the Company, among which included the entitlement to new shares upon their submission of election forms with Towngas Smart Energy electing to receive new shares in Towngas Smart Energy in lieu of cash dividend pursuant to Towngas Smart Energy's scrip dividend scheme on 30th June 2025. Subsequent to the allotment of a total of 131,220,293 new shares to HK&CG (China), Planwise and Superfun by Towngas Smart Energy on 14th July 2025, the said percentage figure of interest in Towngas Smart Energy's shares was adjusted to approximately 69.13% as at 14th July 2025. Dr. the Hon. Lee Ka-kit and Dr. Lee Ka-shing were taken to be interested in the Company as set out in Notes 1 and 2 by virtue of Part XV of the SFO.

Other Information

8. Upon his submission of an election form with Towngas Smart Energy electing to receive new shares in Towngas Smart Energy in lieu of cash dividend pursuant to Towngas Smart Energy's scrip dividend scheme on 30th June 2025 and the subsequent allotment of 414,000 new shares by Towngas Smart Energy pursuant to its scrip dividend scheme on 14th July 2025, Mr. Peter Wong Wai-yee had 9,746,000 shares in Towngas Smart Energy (representing approximately 0.27% of the total number of issued shares in Towngas Smart Energy as at the date of this report) and 3,600,000 options granted under the TSEL Share Option Scheme entitling him to subscribe for 3,600,000 shares of Towngas Smart Energy (representing approximately 0.1% of the total number of issued shares in Towngas Smart Energy as at the date of this report).
9. Upon his submission of an election form with Towngas Smart Energy electing to receive new shares in Towngas Smart Energy in lieu of cash dividend pursuant to Towngas Smart Energy's scrip dividend scheme on 30th June 2025 and the subsequent allotment of 99,245 new shares by Towngas Smart Energy pursuant to its scrip dividend scheme on 14th July 2025, Mr. Chan Ying-lung had 2,799,245 shares in Towngas Smart Energy (representing approximately 0.08% of the total number of issued shares in Towngas Smart Energy as at the date of this report) and 1,800,000 options granted under the TSEL Share Option Scheme entitling him to subscribe for 1,800,000 shares of Towngas Smart Energy (representing approximately 0.05% of the total number of issued shares in Towngas Smart Energy as at the date of this report).
10. These options represent personal interests held by the Directors.
11. These 292,717 Series B Preferred Shares of EcoCeres, Inc. were owned by Full Vision Molecule Investment Limited ("FVMIL"). Since Ultimate Beyond Limited, being indirectly controlled by Dr. the Hon. Lee Ka-kit through Galaxy Harmony Global Limited, was the general partner of Full Vision Molecule Strategic Fund, L.P. (with 1.96% of total capital commitment) which owned the entire share capital of FVMIL, Dr. the Hon. Lee Ka-kit was taken to be interested in these preferred shares by virtue of Part XV of the SFO.

Arrangements to Purchase Shares or Debentures

Share Option Scheme of Towngas Smart Energy

Pursuant to the resolution passed by the shareholders of Towngas Smart Energy at the annual general meeting of Towngas Smart Energy held on 26th May 2022 and the resolution passed by the shareholders of the Company at the annual general meeting held on 6th June 2022, the TSEL Share Option Scheme was adopted by Towngas Smart Energy.

As at 30th June 2025, the details of the number of outstanding share options of Towngas Smart Energy granted under the TSEL Share Option Scheme to the three Directors of the Company, namely Mr. Peter Wong Wai-yee, Mr. Yeung Lui-ming and Mr. Chan Ying-lung, are set out in "Disclosure of Interests" in this report.

Save as mentioned above, at no time during the six months ended 30th June 2025 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Corporate Governance

The Company had complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30th June 2025.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules (the “Model Code”) as the code of conduct regarding securities transactions by the Directors. All Directors confirmed, following specific enquiries by the Company, that they had complied with the required standards set out in the Model Code throughout the six months ended 30th June 2025.

Board Audit and Risk Committee

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

A meeting of the Board Audit and Risk Committee was held on 8th August 2025 to review the unaudited condensed consolidated financial statements of the Group for the six months ended 30th June 2025. PricewaterhouseCoopers, the Group’s external auditor, had carried out a review of the unaudited condensed consolidated financial statements for the six months ended 30th 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” as issued by the Hong Kong Institute of Certified Public Accountants.

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

During the six months ended 30th June 2025, the trustee of the share award scheme (the “TSEL Share Award Scheme”) adopted by Towngas Smart Energy Company Limited (“Towngas Smart Energy”, a listed subsidiary of the Company), pursuant to the terms of the rules and trust deed of the TSEL Share Award Scheme, purchased on the Stock Exchange a total of 11,607,000 issued shares of Towngas Smart Energy at a total consideration of approximately HK\$40,206,000.

Save as mentioned above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30th June 2025.

Employees and Productivity

As at 30th June 2025, the number of employees engaged in the town gas business and related extended businesses in Hong Kong totalled 2,155 (30th June 2024: 2,117), including 179 employees engaged in gas production-related work. The number of customers was 2,042,449, and each employee served the equivalent of 948 customers. Inclusive of employees engaged in businesses such as telecommunications and engineering contractual works, the total number of the Group’s employees engaged in businesses in Hong Kong was 2,400 as at the end of June 2025 compared to 2,341 as at the end of June 2024. Related manpower costs amounted to HK\$682 million for the first half of 2025, an increase of HK\$24 million compared to the same period last year. The Group will continue to offer employees rewarding careers based on their capabilities and performance and arrange a variety of training programmes in order to constantly enhance the quality of its customer services.

Exclusive of businesses in Hong Kong, the total number of the Group’s employees on the Chinese mainland and other places outside Hong Kong was approximately 53,120 as at the end of June 2025, similar to the same period last year.

Changes in the Information of Directors

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

- 1) **Dr. Colin Lam Ko-yin** GBS, SBS, FCILT, FHKIoD, DB (Hon), DBA (Hon), DSocSc (Hon)
Non-executive Director

Dr. Lam was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region on 1st July 2025.

- 2) **Prof. Andrew Fung Hau-chung** SBS, BBS, JP, BA, CMA (Australia), FIPA (Australia)
Non-executive Director

Prof. Fung was appointed as a member of the Working Group on Promoting Gold Market Development.

- 3) **Dr. the Hon. Moses Cheng Mo-chi** GBM, GBS, OBE, JP
Independent Non-executive Director

Dr. the Hon. Cheng has been appointed as Chairman of the Hong Kong Maritime and Port Development Board by the Government of the Hong Kong Special Administrative Region since 1st July 2025.

- 4) **Mr. Peter Wong Wai-yee** CPA (CANADA), CMA, CPA (HK), ACG, HKACG, FIGEM, FHKIoD, FHKMA, MBA
Managing Director

Mr. Wong ceased to be a Council member of the Vocational Training Council on 30th June 2025.

- 5) **Mr. Chan Ying-lung** MAppFin, BCom
Executive Director and Chief Investment Officer

Mr. Chan has served as the representative of the Company on the Hong Kong International Carbon Market Council (on which the Company is a Council member) of Core Climate Global Limited (a subsidiary of Hong Kong Exchanges and Clearing Limited) since 25th July 2025.

- 6) With effect from 1st July 2025, the monthly basic salary payable to Mr. Peter Wong Wai-yee as Managing Director, Mr. Yeung Lui-ming as Executive Director and Chief Financial Officer as well as Mr. Chan Ying-lung as Executive Director and Chief Investment Officer of the Company, respectively, has increased by approximately 3.5% which was an adjustment to basic salaries made by the Company in July 2025, in addition to their entitlement of discretionary bonus and other remunerations to be determined by the Remuneration Committee and the Board after the end of the year.

- 7) During the annual general meeting held on 4th June 2025, the shareholders of the Company approved a fee at the rate of HK\$100,000 per annum for each Non-executive Director (including Independent Non-executive Director) who acts as member of the Board Environmental, Social and Governance Committee effective from the financial year of 2025.

By Order of the Board
Peter Wong Wai-yee
Managing Director

Hong Kong, 20th August 2025



Report on Review of Interim Financial Information



羅兵咸永道

TO THE BOARD OF DIRECTORS OF THE HONG KONG AND CHINA GAS COMPANY LIMITED
(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 22 to 54, which comprises the condensed consolidated statement of financial position of The Hong Kong and China Gas Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30th June 2025 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the HKICPA. A review of interim financial information 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 interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 20th August 2025



Condensed Consolidated Income Statement

For the six months ended 30th June 2025

		Six months ended 30th June	
		2025	2024
	Note	HK\$M	HK\$M
		(unaudited)	(unaudited)
Revenue	3	27,514.2	27,496.2
Total operating expenses	4	(22,877.4)	(23,160.7)
		4,636.8	4,335.5
Other (losses)/gains, net	5	(38.7)	361.7
Interest expense		(985.5)	(1,114.7)
Share of results of associates		534.8	691.3
Share of results of joint ventures		359.4	300.4
Profit before taxation	6	4,506.8	4,574.2
Taxation	7	(1,054.4)	(1,012.8)
Profit for the period		3,452.4	3,561.4
Attributable to:			
Shareholders of the Company		2,964.0	3,040.2
Non-controlling interests		488.4	521.2
		3,452.4	3,561.4
Dividends	8	2,239.2	2,239.2
Earnings per share – basic, HK cents	9	15.9	16.3
Earnings per share – diluted, HK cents	9	15.8	16.0



Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30th June 2025

	Six months ended 30th June	
	2025	2024
	HK\$M	HK\$M
	(unaudited)	(unaudited)
Profit for the period	3,452.4	3,561.4
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Movement in reserve of equity investments at fair value through other comprehensive income	(61.7)	(104.4)
Share of other comprehensive income of an associate	18.6	–
Exchange differences	309.2	(442.8)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Movement in reserve of debt investments at fair value through other comprehensive income	(1.0)	0.8
Change in fair value of cash flow hedges	(10.6)	(18.5)
Share of other comprehensive income of associates	1.6	4.7
Exchange differences	1,610.0	(1,226.2)
Other comprehensive income/(loss) for the period, net of tax	1,866.1	(1,786.4)
Total comprehensive income for the period	5,318.5	1,775.0
Total comprehensive income attributable to:		
Shareholders of the Company	4,532.3	1,723.1
Non-controlling interests	786.2	51.9
	5,318.5	1,775.0



Condensed Consolidated Statement of Financial Position

As at 30th June 2025

		At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
	Note		
Assets			
Non-current assets			
Property, plant and equipment	10	71,205.3	70,776.0
Investment property		966.6	966.6
Right-of-use assets	11	1,847.3	1,872.1
Intangible assets		4,530.7	4,388.0
Associates		36,611.8	36,074.7
Joint ventures		11,024.5	10,612.1
Financial assets at fair value through other comprehensive income		1,647.2	1,692.0
Financial assets at fair value through profit or loss		1,381.2	1,436.3
Derivative financial instruments		105.0	120.3
Retirement benefit assets		127.9	127.9
Other non-current assets		6,011.2	5,862.0
		135,458.7	133,928.0
Current assets			
Inventories		2,481.0	2,794.6
Trade and other receivables	12	10,593.1	11,474.9
Loan and other receivables from associates		1,103.7	1,191.5
Loan and other receivables from joint ventures		521.1	494.7
Loan and other receivables from non-controlling shareholders		138.3	142.6
Financial assets at fair value through profit or loss		1,369.4	1,330.0
Derivative financial instruments		8.3	1.0
Time deposits over three months		76.0	89.1
Time deposits up to three months, cash and bank balances		8,346.4	6,271.5
		24,637.3	23,789.9
Assets held-for-sale	19	2,320.9	550.7

Condensed Consolidated Statement of Financial Position

As at 30th June 2025

	Note	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
Current liabilities			
Trade payables and other liabilities	13	(20,064.8)	(20,750.8)
Loan and other payables to associates		(208.6)	(261.5)
Loan and other payables to joint ventures		(514.5)	(473.4)
Loan and other payables due to non-controlling shareholders		(66.6)	(52.7)
Provision for taxation		(1,189.1)	(930.7)
Borrowings		(17,747.7)	(13,461.2)
Derivative financial instruments		(64.5)	(80.2)
		(39,855.8)	(36,010.5)
Liabilities directly associated with assets held-for-sale	19	(357.1)	(57.0)
Total assets less current liabilities		122,204.0	122,201.1
Non-current liabilities			
Deferred taxation		(7,057.1)	(6,908.4)
Borrowings		(43,211.0)	(43,961.0)
Derivative financial instruments		(32.3)	(87.2)
Loan from a joint venture		(219.2)	(127.1)
Other non-current liabilities		(2,770.6)	(2,783.9)
		(53,290.2)	(53,867.6)
Net assets		68,913.8	68,333.5
Capital and reserves			
Share capital	14	5,474.7	5,474.7
Reserves	15	52,136.9	51,915.7
Shareholders' funds		57,611.6	57,390.4
Non-controlling interests		11,302.2	10,943.1
Total equity		68,913.8	68,333.5



Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June 2025

	Attributable to shareholders of the Company		Non- controlling interests	Total
	Share capital HK\$M	Reserves HK\$M	HK\$M	HK\$M
As at 1st January 2025 (audited)	5,474.7	51,915.7	10,943.1	68,333.5
Profit for the period	–	2,964.0	488.4	3,452.4
Other comprehensive income:				
Movement in reserve of financial assets at fair value through other comprehensive income	–	(47.4)	(15.3)	(62.7)
Change in fair value of cash flow hedges	–	(14.5)	3.9	(10.6)
Share of other comprehensive income of associates	–	20.2	–	20.2
Exchange differences	–	1,610.0	309.2	1,919.2
Total comprehensive income for the period	–	4,532.3	786.2	5,318.5
Capital contribution from non-controlling shareholders of subsidiaries	–	–	9.5	9.5
Deemed disposal of a subsidiary	–	(15.8)	15.8	–
Share award scheme of a subsidiary	–	0.7	0.5	1.2
Share options of a subsidiary exercised	–	(5.8)	12.4	6.6
Recognition of share-based payments upon grant of share options of a subsidiary	–	1.6	0.7	2.3
Dividends paid to shareholders of the Company	–	(4,291.8)	–	(4,291.8)
Dividends paid to non-controlling shareholders	–	–	(466.0)	(466.0)
As at 30th June 2025 (unaudited)	5,474.7	52,136.9	11,302.2	68,913.8

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June 2025

	Attributable to shareholders of the Company		Non- controlling interests	Total
	Share capital HK\$M	Reserves HK\$M	HK\$M	HK\$M
As at 1st January 2024 (audited)	5,474.7	54,378.1	11,165.9	71,018.7
Profit for the period	–	3,040.2	521.2	3,561.4
Other comprehensive income:				
Movement in reserve of financial assets at fair value through other comprehensive income	–	(80.1)	(23.5)	(103.6)
Change in fair value of cash flow hedges	–	(15.5)	(3.0)	(18.5)
Share of other comprehensive income of associates	–	4.7	–	4.7
Exchange differences	–	(1,226.2)	(442.8)	(1,669.0)
Total comprehensive income for the period	–	1,723.1	51.9	1,775.0
Capital injections in subsidiaries	–	–	11.2	11.2
Deemed disposal of subsidiaries	–	–	(39.6)	(39.6)
Acquisition of additional interests in subsidiaries	–	(15.0)	(28.3)	(43.3)
Dividends paid to shareholders of the Company	–	(4,291.8)	–	(4,291.8)
Dividends paid to non-controlling shareholders	–	–	(430.9)	(430.9)
As at 30th June 2024 (unaudited)	5,474.7	51,794.4	10,730.2	67,999.3



Condensed Consolidated Statement of Cash Flows

For the six months ended 30th June 2025

	Six months ended 30th June	
	2025	2024
	HK\$M	HK\$M
	(unaudited)	(unaudited)
Net cash from operating activities	5,528.6	4,713.1
Investing activities		
Purchase of property, plant and equipment	(2,510.4)	(3,153.6)
Payment for right-of-use assets	(8.2)	(14.1)
Acquisition of subsidiaries	–	31.1
Settlement of outstanding payments related to acquisition and disposal of subsidiaries in prior years	160.3	(97.2)
Deemed disposal/disposal of subsidiaries	434.2	79.7
Increase in investments in associates	(95.1)	(21.4)
Disposal of associates	–	8.4
Increase in investments in joint ventures	(5.9)	(23.8)
Decrease/(increase) in time deposits over three months	13.1	(25.5)
Interest received	46.1	133.1
Dividends received from investments in securities	59.4	81.9
Dividends received from associates	587.0	949.4
Dividends received from joint ventures	402.7	297.2
Other cash flows from/(used in) investing activities	287.8	(164.8)
Net cash used in investing activities	(629.0)	(1,919.6)
Financing activities		
Principal elements of lease payments	(57.6)	(121.9)
Interest paid for the lease liabilities	(5.9)	(12.5)
Interest paid	(1,091.3)	(1,180.5)
Interest paid to holders of perpetual capital securities	–	(12.7)
Dividends paid to shareholders of the Company	(4,291.8)	(4,291.8)
Net borrowings and others	2,418.1	2,544.4
Net cash used in financing activities	(3,028.5)	(3,075.0)
Increase/(decrease) in cash and cash equivalents	1,871.1	(281.5)
Cash and cash equivalents at 1st January	6,271.5	8,972.1
Effect of foreign exchange rate changes	203.8	(163.5)
Cash and cash equivalents at 30th June	8,346.4	8,527.1
Analysis of balances of cash and cash equivalents		
Cash and bank balances	7,534.4	7,080.8
Time deposits up to three months	812.0	1,446.3
	8,346.4	8,527.1



Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements, which do not constitute the Group's statutory consolidated financial statements, have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants.

As at 30th June 2025, the Group was in a net current liabilities (including assets held-for-sale and liabilities directly associated with assets held-for-sale) position of approximately HK\$13.3 billion, which included the borrowings of approximately HK\$17.7 billion that are repayable within one year from the end of the reporting period. Taking into consideration the Group's available facilities, history of obtaining external financing and the Group's expected cash flows from operations, management believes that there are sufficient financial resources available to the Group to meet its liabilities as and when they fall due. Accordingly, these condensed consolidated interim financial statements have been prepared on a going concern basis.

The financial information relating to the year ended 31st December 2024 that is included in the condensed consolidated interim financial information for the six months ended 30th June 2025 as comparative information does not constitute the Group's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) (the "Companies Ordinance") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31st December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

Except as described below, the accounting policies used in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those set out in the annual report for the year ended 31st December 2024.

The Group has adopted the following amendments to a standard which is effective for the Group's financial year beginning 1st January 2025 and relevant to the Group.

Amendments to HKAS 21

Lack of Exchangeability

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

The adoption of the amendments to a standard has no material impact on the Group's results and financial position or any substantial changes in Group's accounting policies.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31st December 2024.

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31st December 2024. There have been no changes in the risk management policies since year end.

The Group's financial instruments are measured in the consolidated statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS *(Continued)*

The following table presents the Group's financial assets and financial liability that are measured at fair value at 30th June 2025 and 31st December 2024.

HK\$M	Level 1		Level 2		Level 3		Total	
	At 30th	At 31st	At 30th	At 31st	At 30th	At 31st	At 30th	At 31st
	June	December	June	December	June	December	June	December
	2025	2024	2025	2024	2025	2024	2025	2024
	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
Financial assets								
Financial assets at fair value through profit or loss								
– Debt securities	-	44.5	-	-	-	-	-	44.5
– Equity investments	1,082.1	1,102.6	1,369.4	1,330.0	299.1	289.2	2,750.6	2,721.8
Derivative financial instruments	-	-	113.3	121.3	-	-	113.3	121.3
Financial assets at fair value through other comprehensive income								
– Debt securities	15.4	16.3	-	-	-	-	15.4	16.3
– Equity investments	1,288.9	1,308.5	-	-	342.9	367.2	1,631.8	1,675.7
Total financial assets	2,386.4	2,471.9	1,482.7	1,451.3	642.0	656.4	4,511.1	4,579.6
Financial liability								
Derivative financial instruments	-	-	78.3	150.1	18.5	17.3	96.8	167.4
Total financial liability	-	-	78.3	150.1	18.5	17.3	96.8	167.4

There are no changes in valuation techniques during the period.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS *(Continued)*

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of cross currency swaps is calculated as the present value of the estimated future cash flows based on observable foreign exchange rates and yield curves.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is calculated as the present value of future cash flows based on the forward exchange rates at the end of the reporting period.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

- Financial assets include unlisted equity investments of approximately HK\$0.6 billion (31st December 2024: approximately HK\$0.7 billion), the fair values of which are determined with reference to their attributable net assets values and recent comparable transaction price, where available, being significant unobservable inputs. The fair value increases with the increase in the attributable net assets value and recent comparable transaction price, where available.
- Financial liability includes embedded derivative component of convertible bonds of approximately HK\$18.5 million (31st December 2024: approximately HK\$17.3 million), the fair value of which is determined based on binomial option pricing model. The significant unobservable inputs include share price expected volatility of 27.7 per cent (31st December 2024: 32.6 per cent). The fair value of embedded derivative component of convertible bonds increases with the increase in the share price expected volatility.

For the six months ended 30th June 2025

2. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS *(Continued)*

The following table presents the changes in level 3 instruments of the Group for the period ended 30th June 2025 and year ended 31st December 2024:

HK\$M	Financial assets		Financial liability	
	Six months	Year ended	Six months	Year ended
	ended	31st December	ended	31st December
	30th June	2024	30th June	2024
	2025	2024	2025	2024
	(unaudited)	(audited)	(unaudited)	(audited)
At beginning of period/year	656.4	716.4	17.3	94.5
Additions	2.0	17.5	–	–
Disposals	–	(67.8)	–	–
Change in fair value	(34.5)	11.2	0.6	(75.6)
Exchange differences	18.1	(20.9)	0.6	(1.6)
At end of period/year	642.0	656.4	18.5	17.3

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

For the six months ended 30th June 2025

3. SEGMENT INFORMATION

The Group's principal activities are the production, distribution and marketing of gas and related products or services, water supply and waste treatment, renewable energy businesses, extended businesses and advanced fuels businesses ("Green Fuels", formerly known as "Green Energy") in Hong Kong and the Chinese mainland. The revenue comprises the following:

	Six months ended 30th June	
	2025	2024
	HK\$M	HK\$M
	(unaudited)	(unaudited and restated)
Gas sales before fuel cost adjustment	20,847.1	20,755.9
Fuel cost adjustment	632.1	540.4
Gas sales after fuel cost adjustment	21,479.2	21,296.3
Gas connection income	974.2	1,233.2
Equipment sales and maintenance services	1,779.0	1,734.4
Water, waste treatment and related sales	827.7	831.9
Renewable energy businesses	762.5	754.8
Other sales	1,691.6	1,645.6
	27,514.2	27,496.2

Note

Certain comparative figures have been reclassified to conform to the current period's presentation.

The chief operating decision-maker has been identified as the executive management members (the "EMM") of the Company. The EMM reviews the Group's internal reporting in order to assess performance and allocate resources. The EMM considers the business from both product and geographical perspectives. From a product perspective, management assesses the performance of (a) gas, water and waste treatment, renewable energy, extended businesses and related businesses; (b) Green Fuels and (c) property business. Gas, water and waste treatment, renewable energy, extended businesses and related businesses are further evaluated on a geographic basis (Hong Kong and the Chinese mainland).

The EMM assesses the performance of the operating segments based on a measure of adjusted profit before interest, tax, depreciation and amortisation (the "adjusted EBITDA"). Other information provided, except as noted below, to the EMM is measured in a manner consistent with that in the condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

3. SEGMENT INFORMATION (Continued)

The segment information for the six months ended 30th June 2025 and 2024 provided to the EMM for the reportable segments is as follows:

	Gas, water and waste treatment, renewable energy, extended businesses and related businesses		Green Fuels	Property	Other segments	Total
2025 HK\$M (unaudited)	Hong Kong	Chinese mainland				
Revenue recognised at a point in time	5,880.8	20,337.1	365.8	–	19.9	26,603.6
Revenue recognised over time	3.5	305.8	–	–	289.0	598.3
Finance and rental income	280.6	–	–	31.7	–	312.3
	6,164.9	20,642.9	365.8	31.7	308.9	27,514.2
Adjusted EBITDA	3,469.0	2,988.2	1.4	18.2	24.1	6,500.9
Depreciation and amortisation	(431.6)	(1,204.5)	(54.8)	–	(128.8)	(1,819.7)
Unallocated expenses						(44.4)
						4,636.8
Other losses, net (note 5)						(38.7)
Interest expense						(985.5)
Share of results of associates (note)	–	560.4	(210.2)	177.8	6.8	534.8
Share of results of joint ventures	–	354.0	–	5.4	–	359.4
						4,506.8
Profit before taxation						(1,054.4)
Taxation						
Profit for the period						3,452.4

98% (2024: 98%) of the gas fuel, stores and materials costs are incurred by gas, water and waste treatment, renewable energy, extended businesses and related businesses.

Note

There is no change in the valuation of the Group's shared investment properties at the International Financial Centre complex for the period (2024: no change).

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

3. SEGMENT INFORMATION (Continued)

	Gas, water and waste treatment, renewable energy, extended businesses and related businesses		Green Fuels	Property	Other segments	Total
2024 HK\$M (unaudited and restated)	Hong Kong	Chinese mainland				
Revenue recognised at a point in time	5,470.9	20,548.0	281.8	–	66.5	26,367.2
Revenue recognised over time	–	412.9	–	–	403.3	816.2
Finance and rental income	278.9	–	–	33.9	–	312.8
	5,749.8	20,960.9	281.8	33.9	469.8	27,496.2
Adjusted EBITDA	3,277.8	2,976.6	(80.2)	21.0	16.7	6,211.9
Depreciation and amortisation	(429.5)	(1,154.7)	(64.6)	–	(94.6)	(1,743.4)
Unallocated expenses						(133.0)
						4,335.5
Other gains, net (note 5)						361.7
Interest expense						(1,114.7)
Share of results of associates	–	526.2	(4.1)	169.1	0.1	691.3
Share of results of joint ventures	–	294.8	–	5.5	0.1	300.4
Profit before taxation						4,574.2
Taxation						(1,012.8)
Profit for the period						3,561.4

Note

Certain comparative figures have been reclassified due to the change of the internal organisational structure of the Group.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

3. SEGMENT INFORMATION (Continued)

The segment assets at 30th June 2025 and 31st December 2024 are as follows:

	Gas, water and waste treatment, renewable energy, extended businesses and related businesses		Green Fuels	Property	Other segments	Total
30th June 2025						
HK\$M						
(unaudited)	Hong Kong	Chinese mainland				
Segment assets	23,393.7	102,907.1	7,488.6	16,331.0	6,559.2	156,679.6
Unallocated assets:						
Financial assets at fair value through other comprehensive income						1,647.2
Financial assets at fair value through profit or loss						2,750.6
Time deposits, cash and bank balances excluded from segment assets						882.5
Others (note)						457.0
Total assets						162,416.9
	Gas, water and waste treatment, renewable energy, extended businesses and related businesses		Green Fuels	Property	Other segments	Total
31st December 2024						
HK\$M						
(audited and restated)	Hong Kong	Chinese mainland				
Segment assets	22,602.6	99,851.4	7,589.7	16,369.9	6,154.1	152,567.7
Unallocated assets:						
Financial assets at fair value through other comprehensive income						1,692.0
Financial assets at fair value through profit or loss						2,766.3
Time deposits, cash and bank balances excluded from segment assets						804.5
Others (note)						438.1
Total assets						158,268.6

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

3. SEGMENT INFORMATION *(Continued)*

Note

Certain comparative figures have been reclassified due to the change of the internal organisational structure of the Group.

Other unallocated assets mainly include other receivables other than those included under segment assets, retirement benefit assets, derivative financial instruments and loan and other receivables from non-controlling shareholders.

No liabilities are included in the internal reporting that are used by the EMM to assess performance and allocate resources. Accordingly, no segment liabilities are presented.

The Company is domiciled in Hong Kong. The Group's revenue from external customers in Hong Kong for the six months ended 30th June 2025 is HK\$6,470.6 million (2024: HK\$6,170.8 million), and the revenue from external customers in the Chinese mainland and other geographical locations is HK\$21,043.6 million (2024: HK\$21,325.4 million).

At 30th June 2025, the total of non-current assets other than financial instruments located in Hong Kong is HK\$36,150.0 million (31st December 2024: HK\$36,175.6 million), and the total of non-current assets other than financial instruments located in the Chinese mainland and other geographical locations is HK\$96,175.3 million (31st December 2024: HK\$94,503.8 million).

4. TOTAL OPERATING EXPENSES

	Six months ended 30th June	
	2025	2024
	HK\$M	HK\$M
	(unaudited)	(unaudited)
Gas fuel, stores and materials used	16,173.4	16,657.4
Manpower costs	1,954.5	1,971.8
Depreciation and amortisation	1,831.4	1,784.4
Other operating items	2,918.1	2,747.1
	22,877.4	23,160.7

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

5. OTHER (LOSSES)/GAINS, NET

	Six months ended 30th June	
	2025 HK\$M (unaudited)	2024 HK\$M (unaudited)
Gain on disposal of subsidiaries	52.9	49.7
Gain on deemed disposal of subsidiaries and associates	–	42.0
Impairment loss for assets (note)	–	(41.0)
Remeasurement loss on assets classified as held-for-sale	–	(14.4)
Change in fair value of embedded derivative component of convertible bonds	(0.6)	65.8
Net investment (losses)/gains, including exchange differences	(91.5)	261.5
Others	0.5	(1.9)
	(38.7)	361.7

Note

The amount represents impairment provision against goodwill and property, plant and equipment of HK\$41.0 million for the period ended 30th June 2024.

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging cost of inventories sold of HK\$16,559.6 million (2024: HK\$16,825.9 million).

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

7. TAXATION

	Six months ended 30th June	
	2025 HK\$M (unaudited)	2024 HK\$M (unaudited)
Current taxation	992.5	903.0
Deferred taxation relating to the origination and reversal of temporary differences and withholding tax	61.9	109.8
	1,054.4	1,012.8

The prevailing income tax rates of Hong Kong, the Chinese mainland and Thailand are 16.5 per cent (2024: 16.5 per cent), 15 per cent to 25 per cent (2024: 15 per cent to 25 per cent) and 50 per cent (2024: 50 per cent) respectively.

The Group is within the scope of the Organisation of Economic Co-operation and Development Pillar Two model rules. Under the model rules, the Group may be subject to a top-up tax for the difference between its Global Anti-Base Erosion effective tax rate per jurisdiction and the 15% minimum rate.

The Group applies the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

8. DIVIDENDS

	Six months ended 30th June	
	2025 HK\$M (unaudited)	2024 HK\$M (unaudited)
2024 Final, paid, of HK23 cents per ordinary share (2023 Final: HK23 cents per ordinary share)	4,291.8	4,291.8
2025 Interim, proposed, of HK12 cents per ordinary share (2024 Interim: HK12 cents per ordinary share)	2,239.2	2,239.2
	6,531.0	6,531.0

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$2,964.0 million (2024: HK\$3,040.2 million) and the weighted average of 18,659,870,098 shares (2024: 18,659,870,098 shares) in issue during the period. As there were no dilutive potential ordinary shares of the Company outstanding during the period, the weighted average number of shares used in calculating diluted earnings per share is the same as calculating basic earnings per share.

	Six months ended 30th June	
	2025	2024
	HK\$M	HK\$M
	(unaudited)	(unaudited)
Earnings		
Profit attributable to shareholders for the purpose of basic earnings per share	2,964.0	3,040.2
Effect of dilutive potential ordinary shares of a subsidiary:		
Interests on convertible bonds, attributable to shareholders	28.5	27.3
Change in fair value of embedded derivative component of convertible bonds, attributable to shareholders	0.4	(44.3)
Reduction in share of a subsidiary's profits	(52.1)	(46.6)
Profit attributable to shareholders for the purpose of diluted earnings per share	2,940.8	2,976.6

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings, plant, mains and other equipment HK\$M
Cost	
At 1st January 2025 (audited)	109,974.2
Additions	2,556.8
Disposal of subsidiaries	(554.1)
Transfer to assets held-for-sale	(3,453.1)
Disposals/write off	(256.7)
Exchange differences	2,453.2
	<hr/>
At 30th June 2025 (unaudited)	110,720.3
	<hr/>
Accumulated depreciation and impairment losses	
At 1st January 2025 (audited)	39,198.2
Charge for the period	1,747.8
Disposal of subsidiaries	(42.2)
Transfer to assets held-for-sale	(1,929.7)
Disposals/write off	(209.3)
Exchange differences	750.2
	<hr/>
At 30th June 2025 (unaudited)	39,515.0
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Net book value	
At 30th June 2025 (unaudited)	71,205.3
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At 31st December 2024 (audited)	70,776.0
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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

10. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings, plant, mains and other equipment HK\$M
Cost	
At 1st January 2024 (audited)	108,269.3
Additions	3,203.2
Transfer from right-of-use assets (note 11)	65.4
Acquisition of subsidiaries	3.4
Disposals/write off	(684.4)
Exchange differences	(1,859.9)
	<hr/>
At 30th June 2024 (unaudited)	108,997.0
	<hr/>
Accumulated depreciation and impairment losses	
At 1st January 2024 (audited)	36,992.7
Charge for the period	1,686.6
Impairment	24.3
Disposals/write off	(219.0)
Exchange differences	(540.5)
	<hr/>
At 30th June 2024 (unaudited)	37,944.1
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Net book value	
At 30th June 2024 (unaudited)	71,052.9
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At 31st December 2023 (audited)	71,276.6
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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

11. RIGHT-OF-USE ASSETS

	Prepaid leasehold land HK\$M	Buildings, plant and equipment and others HK\$M	Total HK\$M
At 1st January 2025 (audited)	1,592.4	279.7	1,872.1
Additions	8.2	40.5	48.7
Depreciation and amortisation	(24.7)	(55.0)	(79.7)
Disposals	(3.4)	(0.6)	(4.0)
Disposal of subsidiaries	–	(0.4)	(0.4)
Transfers to assets held-for-sale (note 19)	(35.6)	–	(35.6)
Exchange differences	40.5	5.7	46.2
At 30th June 2025 (unaudited)	1,577.4	269.9	1,847.3

	Prepaid leasehold land HK\$M	Buildings, plant and equipment and others HK\$M	Total HK\$M
At 1st January 2024 (audited)	1,757.8	382.4	2,140.2
Additions	14.1	49.2	63.3
Depreciation and amortisation	(26.8)	(56.6)	(83.4)
Disposals	(4.6)	(2.2)	(6.8)
Transfer to property, plant and equipment (note 10)	–	(65.4)	(65.4)
Exchange differences	(34.6)	(6.3)	(40.9)
At 30th June 2024 (unaudited)	1,705.9	301.1	2,007.0

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

12. TRADE AND OTHER RECEIVABLES

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
Trade receivables (note)	5,183.3	5,130.4
Payments in advance	1,529.6	1,715.7
Other receivables	3,880.2	4,628.8
	10,593.1	11,474.9

The Group recognised a loss of HK\$15.8 million (2024: HK\$16.1 million) for the impairment of its trade and other receivables during the period. The impairment has been included in other operating items.

Note

The Group has established credit policies for different types of customers. The credit periods offered for trade receivables, which are subject to periodic review by management, range from 30 to 60 days except for gas receivables of the Company which are due by 8 working days after billing date. The aging analysis of the trade receivables, net of impairment provision, is as follows:

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
0 – 30 days	4,217.8	4,417.0
31 – 60 days	127.9	82.2
61 – 90 days	74.7	75.4
Over 90 days	762.9	555.8
	5,183.3	5,130.4

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

13. TRADE PAYABLES AND OTHER LIABILITIES

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
Trade payables (note a)	4,471.5	4,938.9
Other payables and accruals (note b)	6,921.7	7,191.3
Contract liabilities (note c)	8,576.6	8,512.6
Lease liabilities (notes d and e)	95.0	108.0
	20,064.8	20,750.8

Notes

(a) The aging analysis of the trade payables is as follows:

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
0 – 30 days	1,416.2	1,648.8
31 – 60 days	512.6	638.4
61 – 90 days	855.5	786.1
Over 90 days	1,687.2	1,865.6
	4,471.5	4,938.9

(b) The balances mainly represent accruals for services or goods received from suppliers.

(c) The balances mainly represent non-refundable advance received from customers for utility connection services, provision of gas and provision of maintenance services.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

13. TRADE PAYABLES AND OTHER LIABILITIES (Continued)

Notes (Continued)

(d) The contractual maturities of the Group's lease liabilities were as follows:

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
Within 1 year	95.0	108.0
Over 1 year [#]	200.5	200.0
	295.5	308.0

[#] Non-current lease liabilities is included in other non-current liabilities.

(e) The interest expense on lease liabilities for the period amounting to HK\$5.9 million (2024: HK\$12.5 million) is included in the profit or loss.

14. SHARE CAPITAL

	Number of Shares		Share Capital	
	At 30th June 2025 (unaudited)	At 31st December 2024 (audited)	At 30th June 2025 (unaudited)	At 31st December 2024 (audited)
Issued and fully paid:				
At beginning/end of period/year	18,659,870,098	18,659,870,098	5,474.7	5,474.7

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

15. RESERVES

	Investment revaluation reserve HK\$M	Hedging reserve HK\$M	Exchange reserve HK\$M	Other reserves (note) HK\$M	Retained profits HK\$M	Total HK\$M
At 1st January 2025 (audited)	476.7	17.8	(4,246.6)	146.1	55,521.7	51,915.7
Profit attributable to shareholders	-	-	-	-	2,964.0	2,964.0
Other comprehensive income:						
Movement in reserve of financial assets at fair value through other comprehensive income	(47.4)	-	-	-	-	(47.4)
Change in fair value of cash flow hedges	-	(14.5)	-	-	-	(14.5)
Share of other comprehensive income of associates	-	1.6	-	18.6	-	20.2
Exchange differences	-	-	1,610.0	-	-	1,610.0
Total comprehensive income for the period	(47.4)	(12.9)	1,610.0	18.6	2,964.0	4,532.3
Deemed disposal of a subsidiary	-	-	-	-	(15.8)	(15.8)
Share award scheme of a subsidiary	-	-	-	0.7	-	0.7
Share options of a subsidiary exercised	-	-	-	(5.8)	-	(5.8)
Recognition of share-based payments upon grant of share options of a subsidiary	-	-	-	1.6	-	1.6
Release of exchange reserve	-	-	13.6	-	(13.6)	-
2024 final dividend paid	-	-	-	-	(4,291.8)	(4,291.8)
At 30th June 2025 (unaudited)	429.3	4.9	(2,623.0)	161.2	54,164.5	52,136.9
Balance after 2025 interim dividend proposed	429.3	4.9	(2,623.0)	161.2	51,925.3	49,897.7
2025 interim dividend proposed	-	-	-	-	2,239.2	2,239.2
	429.3	4.9	(2,623.0)	161.2	54,164.5	52,136.9

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

15. RESERVES (Continued)

	Investment revaluation reserve HK\$M	Hedging reserve HK\$M	Exchange reserve HK\$M	Other reserves (note) HK\$M	Retained profits HK\$M	Total HK\$M
At 1st January 2024 (audited)	493.7	(32.9)	(2,363.8)	108.7	56,172.4	54,378.1
Profit attributable to shareholders	-	-	-	-	3,040.2	3,040.2
Other comprehensive income:						
Movement in reserve of financial assets at fair value through other comprehensive income	(80.1)	-	-	-	-	(80.1)
Change in fair value of cash flow hedges	-	(15.5)	-	-	-	(15.5)
Share of other comprehensive income of associates	1.1	3.6	-	-	-	4.7
Exchange differences	-	-	(1,226.2)	-	-	(1,226.2)
Total comprehensive income for the period	(79.0)	(11.9)	(1,226.2)	-	3,040.2	1,723.1
Acquisition of additional interests in subsidiaries	-	-	-	-	(15.0)	(15.0)
2023 final dividend paid	-	-	-	-	(4,291.8)	(4,291.8)
At 30th June 2024 (unaudited)	414.7	(44.8)	(3,590.0)	108.7	54,905.8	51,794.4
Balance after 2024 interim dividend proposed	414.7	(44.8)	(3,590.0)	108.7	52,666.6	49,555.2
2024 interim dividend proposed	-	-	-	-	2,239.2	2,239.2
	414.7	(44.8)	(3,590.0)	108.7	54,905.8	51,794.4

For the six months ended 30th June 2025

15. RESERVES *(Continued)*

Note

Other reserves mainly arise from the issue of equity-settled shared-based payments to certain employees to allow them to invest in the equity interest in Towngas Smart Energy, a subsidiary of the Group and the purchase of shares under a share award scheme of Towngas Smart Energy (the “Scheme”).

At 30th June 2025, there are 31,000 shares (31st December 2024: 24,000 shares) held by the trustee of the Scheme. During the period ended 30th June 2025, an additional 11,607,000 shares (period ended 30th June 2024: nil) were purchased by the trustee from the market at an average price of approximately HK\$3.46 per share (period ended 30th June 2024: N/A), with an aggregate amount of HK\$40,206,000 (period ended 30th June 2024: nil). During the period ended 30th June 2025, 11,600,000 shares (period ended 30th June 2024: nil) were granted to the selected directors and eligible employees of Towngas Smart Energy and its subsidiaries with amount of HK\$41,412,000 which was the fair value on date of grant (period ended 30th June 2024: nil) recognised as share-based payment expenses and included in staff costs when vested during the period.

At 30th June 2025, 7,850,000 (31st December 2024: 4,050,000) share options at an weighted average exercise price of HK\$3.48 (31st December 2024: HK\$3.40) were held by directors of Towngas Smart Energy and 12,097,000 (31st December 2024: 6,424,000) share options at an weighted average exercise price of HK\$3.51 (31st December 2024: HK\$3.40) were held by other participants representing directors or senior management staff of the subsidiaries of Towngas Smart Energy and directors of both subsidiaries of the Company and Towngas Smart Energy.

During the period ended 30th June 2025, options were exercised to subscribe for 1,958,000 (period ended 30th June 2024: nil) ordinary shares of Towngas Smart Energy of HK\$0.01 each at an aggregate consideration of HK\$6,657,000 (period ended 30th June 2024: nil).

During the period ended 30th June 2025, 11,600,000 options were granted pursuant to the share option scheme of Towngas Smart Energy on 18th March 2025. The estimated fair value of the options granted on that date was HK\$8,251,000 (period ended 30th June 2024: nil).

16. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30th June 2025 and 31st December 2024.

17. COMMITMENTS

(a) Capital expenditures for property, plant and equipment

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
Contracts had been entered into but not brought into the condensed consolidated interim financial statements	3,294.2	3,418.0

(b) Share of capital expenditures for property, plant and equipment of joint ventures

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
Contracts had been entered into but not brought into the condensed consolidated interim financial statements	3,309.6	3,578.3

- (c) The Group has committed to provide sufficient funds in the forms of capital and loan contributions to finance certain new projects under various contracts in the Chinese mainland. The directors of the Company estimate that as at 30th June 2025, the Group's commitments to these projects were approximately HK\$4,305.4 million (31st December 2024: approximately HK\$2,954.9 million).

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

17. COMMITMENTS (Continued)

(d) Lease commitments

Lessor

The Group leases out the building facilities of the commercial complex and car parks of Grand Waterfront under operating leases. Except for certain car parks rented out on an hourly or a monthly basis, these leases typically run for a period of 2 to 5 years.

Future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
Not later than 1 year	21.0	21.9
Later than 1 year and not later than 5 years	24.2	28.0
	45.2	49.9

18. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in the condensed consolidated interim financial statements, there were purchase of goods and services from associates of HK\$359.5 million (2024: HK\$469.0 million). These related party transactions were conducted at prices and terms as agreed by parties involved.

19. ASSETS HELD-FOR-SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD-FOR-SALE

During 2024, the Group reclassified its entire equity interest in Inner Mongolia Ke Jian Coal Company Limited, a subsidiary of the Group, which principally engages in coal-related businesses to an asset held-for-sale as the Group intended to recover the carrying amount through sales. Upon reclassification, the investment was measured at the lower of carrying amount and fair value less costs of disposal. The latest letter of intent for this disposal was received in April 2025, with consideration of approximately HK\$372.6 million. Based on the fair value of the equity interest, after taking into account the remeasurement loss and a deposit forfeiture gain, no net loss (2024: remeasurement loss of HK\$6.7 million) was recognised as “Other (losses)/gains, net” in the condensed consolidated income statements for the six months ended 30th June 2025.

During 2025, the Group has established a new investment platform, VENEX Holding Company Limited (“VENEX”), with Foran Energy Group Company Limited, with each party holding a 50 per cent stake. A share transfer agreement was signed in June 2025, where upon completion of the transaction, the Group will inject its entire equity interest in Inner Mongolia ECO Coal Chemical Technology Company Limited, a subsidiary of the Group, which principally engages in green fuels and chemicals businesses, into VENEX at a consideration of approximately HK\$1,576.5 million (including equity consideration and repayment of shareholder’s loan). Accordingly, the Group reclassified its entire equity interest to an asset held-for-sale. Upon reclassification, the investment was measured at the lower of carrying amount and fair value less costs of disposal. Based on the fair value of the equity interest, no remeasurement loss was recognised as “Other (losses)/gains, net” in the condensed consolidated income statements for the six months ended 30th June 2025.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2025

19. ASSETS HELD-FOR-SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD-FOR-SALE *(Continued)*

The major classes of assets and liabilities of subsidiaries classified as held-for sales, which were presented separately in the Group's condensed consolidated statement of financial position as at 30th June 2025 and 31st December 2024, were as follows:

	At 30th June 2025 HK\$M (unaudited)	At 31st December 2024 HK\$M (audited)
Property, plant and equipment	1,961.1	540.0
Right-of-use assets (note 11)	35.6	–
Associates	9.9	–
Inventories	242.2	–
Trade and other receivables	48.1	3.1
Cash and bank balances	24.0	7.6
	<hr/>	<hr/>
Assets of subsidiaries reclassified as held-for-sale	2,320.9	550.7
	<hr/>	<hr/>
Trade and other payables	228.3	42.2
Borrowings	87.1	–
Deferred tax liabilities	41.7	14.8
	<hr/>	<hr/>
Liabilities of subsidiaries reclassified as held-for-sale	357.1	57.0
	<hr/>	<hr/>