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**CHINESE PEOPLE HOLDINGS COMPANY LIMITED**

**中民控股有限公司**

*(incorporated in Bermuda with limited liability) (stock code: 681)*

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **FINANCIAL HIGHLIGHTS**

Revenue for the Period decreased approximately by 9.84% to approximately RMB1,228 million (2024: RMB1,362 million) which was mainly attributable to decrease in revenue of piped gas transmission and distribution business and cylinder gas supply business.

Profit for the Period amounted to approximately RMB77.50 million (2024: RMB66.61 million), an increase of approximately RMB10.89 million as compared to the corresponding period in 2024 mainly due to decrease of selling and distribution expenses and administrative expenses.

Basic earnings per share for the Period was RMB0.72 cents (2024: RMB0.49 cents).

The Board does not recommend the payment of an interim dividend for the Period (2024: nil).

The board (the “**Board**”) of directors (the “**Director(s)**”) of Chinese People Holdings Company Limited (the “**Company**”) is hereby to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025 (the “**Period**” or the “**Reporting Period**”), together with the unaudited comparative figures for the six months ended 30 June 2024. These interim results have been reviewed by the audit committee of the Company.

**CHINESE PEOPLE HOLDINGS COMPANY LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**

*For the six months ended 30 June 2025*

		(Unaudited)	
		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	3	1,228,089	1,361,691
Cost of sales and services		<u>(1,078,625)</u>	<u>(1,194,087)</u>
Gross profit		149,464	167,604
Other gains and losses	4	(6,307)	1,309
Other income	5	15,157	19,863
Finance costs	6	(1,620)	(1,897)
Selling and distribution expenses		(67,100)	(74,293)
Administrative expenses		(52,755)	(61,736)
Share of results of associates		16,950	12,573
Share of results of joint ventures		<u>34,395</u>	<u>12,770</u>
Profit before tax	7	88,184	76,193
Income tax expense	8	<u>(10,689)</u>	<u>(9,585)</u>
Profit for the period		<u>77,495</u>	<u>66,608</u>
Other comprehensive expense for the period			
Item that will not reclassified subsequently to profit or loss			
– Fair value change on equity instruments at fair value through other comprehensive expense (“FVTOCI”), net of tax		<u>(1,235)</u>	<u>(8,636)</u>
Total comprehensive income for the period		<u><u>76,260</u></u>	<u><u>57,972</u></u>

(Unaudited)		
Six months ended 30 June		
	2025	2024
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period attributable to:		
Owners of the Company	64,190	43,394
Non-controlling interests	13,305	23,214
	<u>77,495</u>	<u>66,608</u>
Total comprehensive income attributable to:		
Owners of the Company	62,757	34,542
Non-controlling interests	13,503	23,430
	<u>76,260</u>	<u>57,972</u>
Earnings per share	<i>10</i>	<i>RMB</i>
– basic	<u>0.72 cents</u>	<u>0.49 cents</u>
– diluted	<u>n/a</u>	<u>n/a</u>

**CHINESE PEOPLE HOLDINGS COMPANY LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*At 30 June 2025*

		At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		741,798	738,471
Investment properties		103,236	105,312
Right-of-use assets		71,617	74,126
Intangible assets		11,814	12,429
Interests in associates		113,732	112,962
Interests in joint ventures		1,114,138	1,082,948
Deferred tax assets		16,845	14,658
Equity instruments at FVTOCI		108,486	109,933
Long-term deposits		19,554	20,438
		<u>2,301,220</u>	<u>2,271,277</u>
<b>Current assets</b>			
Inventories		68,250	43,729
Trade, bills and other receivables and prepayments	11	251,221	323,239
Contract assets		25,496	25,496
Financial assets at fair value through profit or loss		–	5,393
Bank deposits		180,000	120,313
Bank balances and cash		561,440	578,906
		<u>1,086,407</u>	<u>1,097,076</u>
<b>Current liabilities</b>			
Trade and other payables	12	232,867	247,023
Contract liabilities		239,264	250,981
Tax liabilities		6,002	7,705
Lease liabilities		3,313	4,207
Bank borrowings – due within one year		45,100	83,550
		<u>526,546</u>	<u>593,466</u>
<b>Net current assets</b>		<u>559,861</u>	<u>503,610</u>
<b>Total assets less current liabilities</b>		<u><u>2,861,081</u></u>	<u><u>2,774,887</u></u>

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
<b>Capital and reserves</b>		
Share capital	564,507	564,507
Reserves	<u>2,016,495</u>	<u>1,953,738</u>
<b>Equity attributable to owners of the Company</b>	<b>2,581,002</b>	2,518,245
<b>Non-controlling interests</b>	<u>220,438</u>	<u>227,384</u>
<b>Total equity</b>	<u>2,801,440</u>	<u>2,745,629</u>
<b>Non-current liabilities</b>		
Lease liabilities	10,849	10,470
Bank borrowings – due after one year	32,750	4,700
Deferred tax liabilities	<u>16,042</u>	<u>14,088</u>
	<u>59,641</u>	<u>29,258</u>
	<u><b>2,861,081</b></u>	<u><b>2,774,887</b></u>

## NOTES:

### 1. GENERAL INFORMATION

Chinese People Holdings Company Limited (the “**Company**”) is incorporated and domiciled in Bermuda as an exempted company with limited liability on 13 November 1996. On 24 April 1997, the Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company be disclosed in the section headed “Corporate Information” of the Company’s interim report.

In the opinion of the Directors, the immediate holding company of the Company is Lofty Key Limited, incorporated in the British Virgin Islands with limited liability, the ultimate holding company of the Company is Civios Group Limited, incorporated in the British Virgin Islands with limited liability, and the ultimate controlling party of the Company is Dr. Mo Shikang, who is also an executive Director of the Company.

The Company acts as an investment holding company. The Group is principally engaged in (i) piped gas transmission and distribution, including the provision of piped gas, construction of gas pipelines and the operation of city gas pipeline network, (ii) cylinder gas supply, (iii) distribution of gas and (iv) the food ingredients supply and fast-moving consumer goods (“**FMCG**”) of business through the chain stores operation including supermarket and convenience stores in the People’s Republic of China (the “**PRC**” or “**China**”).

The unaudited condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries (collectively referred to as the “**Group**”).

### 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) of the Stock Exchange.

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

Other than changes in accounting policies resulting from adoption of revised Hong Kong Financial Reporting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements are the same as those followed in the preparation of the Company’s annual consolidated financial statements for the year ended 31 December 2024.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2024 consolidated financial statements for the year ended 31 December 2024.

## Adoption of revised Hong Kong Financial Reporting Standards

In the Period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the unaudited condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standard has no material impact on the Group's financial position and financial performance for the current and/or prior periods and/or on the disclosure set out in the unaudited condensed consolidated financial statements.

### 3. SEGMENT INFORMATION

#### Operating segments

Information reported to the Group's chief operating decision maker ("CODM"), being the managing director of the Company, for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold or services rendered which is also consistent with the basis of organisation of the Group.

The Group has been organising its operations into four operating divisions, which also represent the operating segments of the Group for financial reporting purposes, namely (i) piped gas transmission and distribution; (ii) cylinder gas supply; (iii) gas distribution and (iv) food ingredients supply and FMCG. They represent four major lines of businesses engaged by the Group. The principal activities of the operating and reportable segments are as follows:

- (i) Piped gas transmission and distribution – sales of piped gas and construction of gas pipeline networks under gas contracts;
- (ii) Cylinder gas supply – sales and distribution of gas using tank containers to end-user households, industrial and commercial customers;
- (iii) Gas distribution – sales of natural gas to industrial and commercial customers, and
- (iv) Food ingredients supply and FMCG – wholesales and retail of merchandise (including but not limited to rice; meat; fresh food; FMCG) through supermarkets and a convenience store. The Group entered into agreements in 2024, namely strategic co-operation agreements, with independent third parties for them to operate the supermarkets and convenience store, including the lease of the properties.

No operating segments have been aggregated to derive the reportable segments for segment information presentation.

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

Amounts of segment assets and liabilities of the Group are not reviewed by the CODM or otherwise regularly provided to the CODM.

There were no inter-segment sales in the Period (2024: nil).

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

**For the six months ended 30 June 2025 (Unaudited)**

	Piped gas transmission and distribution <i>RMB'000</i>	Cylinder gas supply <i>RMB'000</i>	Gas distribution <i>RMB'000</i>	Food ingredients supply and FMCG <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue from external customers	<u>582,950</u>	<u>270,033</u>	<u>373,777</u>	<u>1,329</u>	<u>1,228,089</u>
Segment profit (loss)	<u>38,513</u>	<u>5,025</u>	<u>1,453</u>	<u>(622)</u>	<u>44,369</u>
Unallocated income					1,041
Central administration costs					(7,273)
Share of results of associates					16,950
Share of results of joint ventures					34,395
Finance costs					(1,620)
Gain on disposal of subsidiaries					322
Profit before tax					<u>88,184</u>
<b>Other segment information</b>					
Amounts included in the measure of segment results:					
Depreciation and amortisation	16,939	7,172	452	354	24,917
Unallocated depreciation and amortisation					2,475
Total					<u>27,392</u>
(Gain) loss on disposal of property, plant and equipment	–	38	–	404	<u>442</u>
<b>Amounts regularly provided to the CODM but not included in the measure of segment results:</b>					
Interests in associates					113,732
Interests in joint ventures					<u>1,114,138</u>



For the six months ended 30 June 2024 (Unaudited)

	Piped gas transmission and distribution <i>RMB'000</i>	Cylinder gas supply <i>RMB'000</i>	Gas distribution <i>RMB'000</i>	Food ingredients supply and FMCG <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue from external customers	<u>637,608</u>	<u>331,480</u>	<u>347,595</u>	<u>45,008</u>	<u>1,361,691</u>
Segment profit (loss)	<u>39,980</u>	<u>17,069</u>	<u>1,955</u>	<u>(2,391)</u>	56,613
Unallocated income					2,722
Central administration costs					(6,588)
Share of results of associates					12,573
Share of results of joint ventures					12,770
Finance costs					<u>(1,897)</u>
Profit before tax					<u>76,193</u>
<b>Other segment information</b>					
Amounts included in the measure of segment results:					
Depreciation and amortisation	16,130	6,789	456	3,142	26,517
Unallocated depreciation and amortisation					<u>348</u>
Total					<u>26,865</u>
Loss on disposal of property, plant and equipment	–	3,700	–	–	<u>3,700</u>
<b>Amounts regularly provided to the CODM but not included in the measure of segment results:</b>					
Interests in associates					186,625
Interests in joint ventures					<u>1,066,224</u>

The Group's revenue from contracts with customers has been disaggregated as (i) revenue is recognised at a point of time: piped gas transmission and distribution (without gas connection), cylinder gas supply, gas distribution and food ingredients supply and FMCG of approximately RMB1,199,616,000 (2024: RMB1,321,144,000) and (ii) revenue is recognised over the time: gas connection of approximately RMB28,473,000 (2024: RMB40,547,000) for the Period.

### Geographical information

The Group's business is principally carried out in the PRC. All the revenue of the Group for both periods are derived from the PRC based on the locations of goods delivered and services provided and the Group's non-current assets are physically located in the PRC. Accordingly, no geographical information is presented.

### Information about major customers

No individual customer of the Group had contributed sales of over 10% of the total revenue of the Group for the Reporting Period and the corresponding period of last year.

## 4. OTHER GAINS AND LOSSES

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Loss on disposal of property, plant and equipment	(442)	(3,700)
Net foreign exchange loss	(3,287)	(576)
Gain on disposal of subsidiaries	322	5,371
Gain on financial assets at fair value through profit or loss	94	–
Impairment loss under the expected credit loss model, net of reversal		
– trade receivables from contracts with customers	(1,071)	(2,258)
– other receivable	(1,923)	2,472
	<u>(6,307)</u>	<u>1,309</u>

## 5. OTHER INCOME

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Bank interest income	1,041	2,722
Government grant	33	438
Rental income, net	1,506	1,258
Repair and maintenance services income	2	58
Sales of gas appliance and materials, net	6,620	7,495
Others	5,955	7,892
	<u>15,157</u>	<u>19,863</u>

## 6. FINANCE COSTS

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest on bank borrowings	1,538	1,572
Interest on lease liabilities	82	325
	<u>1,620</u>	<u>1,897</u>

## 7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following:

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Staff costs including Directors' emoluments:		
Directors' emoluments	2,392	2,352
Salaries, allowance and benefits in kind	73,982	63,033
Retirement benefits scheme contribution	11,426	8,907
	87,800	74,292
Cost of inventories recognised as expenses	1,061,697	1,166,653
Depreciation of property, plant and equipment	22,186	23,594
Depreciation of right-to-use assets	2,515	2,656
Depreciation of investment properties	2,076	—
Amortisation of intangible assets (included in administrative expense)	615	615
Contract cost recognised as expense in respect of gas connection construction contracts	16,928	27,434

## 8. INCOME TAX EXPENSE

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
PRC Enterprise Income Tax (“EIT”):		
– current tax	11,148	9,758
– under provision in previous periods	(295)	58
Deferred taxation	(164)	(231)
	<u>10,689</u>	<u>9,585</u>

The taxation charge mainly represents EIT of the PRC for both periods.

No provision for Hong Kong Profits Tax has been made in the unaudited condensed consolidated financial statements as the Group had no assessable profits derived in Hong Kong for both periods.

The EIT rates applicable for the Group’s PRC subsidiaries ranged from 15% to 25% (2024: 15% to 25%).

Following the Catalogue of Encouraged Industries in Western Region which was promulgated by the National Development and Reform Commission of the PRC in 2020, certain subsidiaries which are operating in the Western China region are granted a concessionary tax rate of 15% by the local tax bureau. The validity period of this tax policy is from 1 January 2021 to 31 December 2030.

### Income tax credit for small-scaled minimal profit enterprise

In accordance with the announcement no. 12 of 2023 regarding 《關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》 (“Announcement on Tax and Fee Policies for Further Supporting the Development of Small Profit Making Enterprises and Individual Industrial and Commercial Household”) issued by the Ministry of Finance and the State Taxation Administration, for the period from 1 January 2023 to 31 December 2027, in respect of the portion of taxable income for the year derived by the Group’s small profit-making enterprises, the annual taxable income shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%.

\* For identification purpose only

## 9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2025 (2024: nil), nor has any dividend has been proposed since the end of the reporting period.

## 10. EARNINGS PER SHARE

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

	<b>(Unaudited)</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Earnings</b>		
Profit for the period attributable to the owners of the		
Company and for the purpose of basic earnings per share	<b>64,190</b>	<b>43,394</b>
	<b>Six months ended 30 June</b>	<b>2025</b>
	<b>2025</b>	<b>2024</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares		
for the purpose of basic earnings per share	<b>8,934,561,203</b>	<b>8,934,561,203</b>

No diluted earnings per share for both periods were presented as there were no potential ordinary shares in issue for both periods.

## 11. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>At</b>	<b>At</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Trade receivables (net of allowance for credit loss)	<b>67,755</b>	<b>50,267</b>
Bill receivables	<b>250</b>	<b>4,129</b>
Other receivables, deposits and prepayments	<b>183,216</b>	<b>268,843</b>
	<b>251,221</b>	<b>323,239</b>

The Group has a policy of allowing a credit period ranging from 0 to 180 days to its customers (2024: 0 to 180 days). Longer credit period is also allowed on a case-by-case basis. The following is an aged analysis of trade and bill receivables presented on the invoice date, which approximated the revenue recognition date, at the end of the reporting period:

	(Unaudited) At 30 June 2025 RMB'000	(Audited) At 31 December 2024 RMB'000
Trade receivables (net of allowance for credit loss)		
0 to 90 days	57,666	41,501
91 to 180 days	4,563	3,596
Over 180 days	5,526	5,170
	<u>67,755</u>	<u>50,267</u>
Bill receivables		
0 to 90 days	250	2,948
91 to 180 days	–	1,121
Over 180 days	–	60
	<u>250</u>	<u>4,129</u>
Deposits paid for purchase of natural gas; cylinder gas; merchandise and construction materials	66,673	105,546
Rental and utilities deposits and prepayments	27,475	6,872
Other tax recoverable	6,801	6,394
Amounts due from non-controlling interest of subsidiaries	25,054	33,096
Amounts due from an associate	–	480
Dividend receivable from joint ventures	–	51,000
Dividend receivable from associates	31,786	52,179
Other receivables and deposits	50,597	36,579
	<u>208,386</u>	<u>292,146</u>
Less: Allowance for credit losses	<u>(25,170)</u>	<u>(23,303)</u>
	<u>183,216</u>	<u>268,843</u>
Total trade, bills and other receivables and prepayments	<u><u>251,221</u></u>	<u><u>323,239</u></u>

## 12. TRADE AND OTHER PAYABLES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs with the average credit period on purchases of goods is 90 days (2024: 90 days). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	(Unaudited) At 30 June 2025 RMB'000	(Audited) At 31 December 2024 RMB'000
0 to 90 days	58,560	77,113
91 to 180 days	12,595	11,647
Over 180 days	26,222	23,509
Trade payables	97,377	112,269
Piped gas customer deposits	23,369	18,275
Amounts due to non-controlling interests of subsidiaries	16,375	196
Accrued charges and other payables	95,746	116,283
Total trade and other payables	<u>232,867</u>	<u>247,023</u>

## 13. CAPITAL COMMITMENTS

Capital and other expenditure contracted for but not provided in the condensed consolidated/ consolidated financial statements in respect of:

	(Unaudited) At 30 June 2025 RMB'000	(Audited) At 31 December 2024 RMB'000
Purchase of:		
Property, plant and equipment	22,317	7,232
Right-of-use assets	8,547	15,787
	<u>30,864</u>	<u>23,019</u>

## 14. CONTINGENT LIABILITIES

As at 30 June 2025, the Group has no significant contingent liability.

## **BUSINESS REVIEW**

In the first half of 2025, global output of natural gas remained at a high level, market supply and demand was loose, and the natural gas market continued to recover and improve in the PRC.

In the first half of 2025, the consumption of domestic natural gas was approximately 211.97 billion m<sup>3</sup>, representing a year-on-year decrease of approximately 0.9%; the natural gas production was approximately 130.83 billion m<sup>3</sup>, representing a year-on-year increase of approximately 5.8%; the imported natural gas was approximately 82.775 billion m<sup>3</sup>, representing a year-on-year decrease of approximately 7.8%, of which the piped gas was approximately 40.922 billion m<sup>3</sup>, and liquefied natural gas was approximately 41.853 billion m<sup>3</sup>.

As of the Reporting Period, the revenue of the Group amounted to approximately RMB1,228 million (2024: RMB1,362 million), representing a decrease of approximately 9.84% as compared with the corresponding period of last year, while profit of the Group for the Period was approximately RMB77.50 million (2024: RMB66.61 million), representing an increase of approximately 16.35% as compared with the corresponding period of last year. Basic earnings per share of the Company was RMB0.72 cents (2024: RMB0.49 cents). The gross profit margin of the Group was approximately 12.17% (2024: 12.31%), representing a decrease of approximately 0.14% as compared with the corresponding period of last year. The decrease in gross profit margin was mainly attributable to the decrease in the gross profit margin of gas distribution business.

### **Piped Gas Transmission and Distribution Business**

Piped gas transmission and distribution business is one of our main businesses and source of income. For the Period, revenue of approximately RMB582,950,000 was recorded from our piped gas transmission and distribution business, representing a decrease of approximately RMB54,658,000 or 8.57% as compared with the corresponding period of last year, which accounted for approximately 47.47% (2024: 46.82%) of our total revenue. The gross profit margin of piped gas transmission and distribution business for the Period was approximately 11.95% (2024: 11.54%). The increase in gross profit margin of piped gas transmission and distribution business was mainly due to the increase in the gross profit margin of piped gas sales and piped gas connection.



– ***Piped Gas Connection***

During the Period, revenue from piped gas connection was approximately RMB28,473,000, representing decrease of approximately RMB12,074,000 or 29.78% as compared with the corresponding period of last year, which represented approximately 4.88% (2024: 6.36%) of the total revenue of the piped gas transmission and distribution business. During the Period, there was an addition of 7,327 units of connected residential household customers and 327 units of connected commercial and industrial (“C/I”) customers, respectively. As of 30 June 2025, the accumulated number of connected residential household customers was 595,388 units; and the accumulated number of connected C/I customers was 13,463 units, representing an increase of approximately 3.65% and 6.55%, respectively as compared with the corresponding period of last year.

– ***Piped Gas Sales***

During the Period, revenue from piped gas sales was approximately RMB554,477,000, representing a decrease of approximately RMB42,584,000 or 7.13% as compared with the corresponding period of last year. The decrease in revenue was mainly due to the decrease in demand during the Period. Revenue from piped gas sales accounted for approximately 95.12% (2024: 93.64%) of the total revenue from the piped gas transmission and distribution business. Our piped gas sales achieved approximately 213.56 million m<sup>3</sup> (2024: 233.60 million m<sup>3</sup>), representing a decrease of approximately 8.58% as compared to the corresponding period of last year. Among the total sales, approximately 81.67 million m<sup>3</sup> (2024: 77.34 million m<sup>3</sup>) were sold to residential household customers, which represented an increase of approximately 5.60% as compared with the corresponding period of last year; approximately 131.89 million m<sup>3</sup> (2024: 156.27 million m<sup>3</sup>) were sold to C/I customers, which represented a decrease of approximately 15.60% as compared with the corresponding period of last year.

**Cylinder Gas Supply Business**

Cylinder gas business is another major businesses of the Group. Currently, the Group’s cylinder gas business is mainly the sales of liquefied natural gas (LNG), liquefied petroleum gas (LPG), and liquefied dimethyl ether (DME) with cylinder. During the Period, while maintaining existing customers, we actively develop new customers for expanding the sales markets.

During the Period, sales of cylinder gas was approximately 48,054 tons (2024: 52,094 tons) in total, representing a decrease of approximately 7.76% over the corresponding period of last year. A total sales revenue reached approximately RMB270,033,000 (2024: RMB331,480,000), representing a decrease of approximately RMB61,447,000 or 18.54% over the corresponding period of last year. The gross profit margin of cylinder gas supply business during the Period was approximately 28.01% (2024: 25.22%). During the Period, revenue from cylinder gas supply business accounted for approximately 21.99% (2024: 24.34%) of the total revenue of the Group. The increase in gross profit margin was due to the fact that the decrease in purchase price was greater than the decrease in sales price.

## **Gas Distribution Business**

Gas distribution business represents a business carried out by the Group in recent years, which has recently formed a certain business scale. The gas distribution business mainly purchases a large amount of gas resources from upstream suppliers and then distributes to other gas operating companies. Although investment in this business is not large, it can form a dominant position in the market at a lower cost, which is helpful for the development of downstream terminal business of the Group.

During the Period, revenue from gas distribution business was approximately RMB373,777,000, representing an increase of approximately RMB26,182,000 or 7.53% as compared with the corresponding period of last year. The sales of gas was approximately 99,334 tons (2024: 90,772 tons), representing an increase of approximately 9.43% as compared with the corresponding period of last year. During the Period, revenue from gas distribution business accounted for approximately 30.44% (2024: 25.53%) of the Group's total revenue. The gross profit margin of gas distribution business during the Period was approximately 0.78% (2024: 1.01%). The decrease in gross profit margin was mainly due to the decrease in sales price being slightly greater than that in costs, while the increase in sales revenue was due to the increase in sales volume.

## **Food Ingredients Supply and Fast-moving Consumer Good (“FMCG”) Business**

The food ingredients supply business is mainly a service providing to commercial consumers by supplying fruits and vegetables, fresh produce, seasoning, dry foods and oil and other ingredients. In order to realise profitability of the food ingredients supply and FMCG business, the Group has successively entered into agreements with third parties during 2024, under which the food ingredients supply and FMCG business be managed and operated by the third parties, while the Group is continuing to promote our brand of FMCG and receives either fixed monthly incomes or revenues on a pro rata basis subject to the monthly turnovers (the “Operation Model”).

During the Period, the food ingredients supply and FMCG business realised revenue of approximately RMB1,329,000 (2024: RMB45,008,000), accounting for approximately 0.10% (2024: 3.31%) of the Group's total revenue. The significant decrease in revenue was due to the change in Operating Model with significantly narrowed losses (segment losses of RMB622,000 for the Period and RMB2,391,000 in 2024) for the Period.

## **New Project During the Period**

There was no new significant project for the Period.

## **Other Gains and Losses**

Other gains and losses for the Reporting Period amounted to losses of approximately RMB6,307,000 (2024: gains of RMB1,309,000), representing an increase of losses of approximately RMB7,616,000 as compared to the corresponding period of last year. Such increase was mainly due to increase of net foreign exchange loss and increase of impairment loss under the expected credit loss model for the Period.

## **Other Income**

Other income for the Reporting Period amounted to approximately RMB15,157,000 (2024: RMB19,863,000), representing a decrease of approximately RMB4,706,000 as compared with the corresponding period of last year. Such decrease was mainly due to the decrease in bank interest income and net income from sales of gas appliances.

## **Finance Costs**

Finance costs for the Reporting Period amounted to approximately RMB1,620,000 (2024: RMB1,897,000), representing a decrease of approximately RMB277,000 as compared to the corresponding period of last year. Such decrease was mainly due to the decrease of interest on lease liabilities.

## **Selling and Distribution Expenses**

Selling and distribution expenses for the Reporting Period amounted to approximately RMB67,100,000 (2024: RMB74,293,000), representing a decrease of approximately RMB7,193,000 as compared with the corresponding period of last year, which was mainly due to the the decrease in wages, labor costs, etc.

## **Administrative Expenses**

Administrative expenses for the Reporting Period amounted to approximately RMB52,755,000 (2024: RMB61,736,000), representing a decrease of approximately RMB8,981,000 as compared with the corresponding period of last year, which mainly due to decrease in depreciation of fixed assets and rental expenses.

## **Share of Results of Associates**

Share of profit of associates for the Reporting Period amounted to approximately RMB16,950,000 (2024: RMB12,573,000), representing an increase of approximately RMB4,377,000 as compared to the corresponding period of last year. Such increase was mainly attributable to the increase in profit generated by the Company's associates for the Period.

## **Share of Results of Joint Ventures**

Share of profit of joint ventures for the Reporting Period amounted to approximately RMB34,395,000 (2024: RMB12,770,000), representing an increase of approximately RMB21,625,000 as compared to the corresponding period of last year. Such increase was mainly attributable to the increase in profit generated by the Company's joint ventures for the Period.

## **Income Tax Expenses**

Income tax expenses for the Reporting Period amounted to approximately RMB10,689,000 (2024: RMB9,585,000), representing an increase of approximately RMB1,104,000 as compared to the corresponding period of last year. Such increase was mainly attributable to the increase in tax for current taxation.

## **Liquidity and Capital Resources**

As at 30 June 2025, the unaudited condensed consolidated financial position of the Group was as follows:

Currently, the sources of the operating and capital expenditure of the Group are operating cash flow, internal current capital and bank borrowings. The Group has sufficient funds to meet future capital expenditures and operational needs.

## **Borrowing Structure**

As at 30 June 2025, the total borrowings of the Group were approximately RMB77,850,000 (31 December 2024: RMB88,250,000), which comprised domestic bank borrowings denominated in RMB of the project companies in China. Borrowings, calculated at Loan Prime Rate announced by the People's Bank of China plus certain basis points of which interest rates are in the range of People's Bank of China base rate plus 0.00% to plus 1.35% (31 December 2024: minus 0.25% to plus 1.00%) per annum, are mainly applied to gas pipelines construction, as general working capital and for operating expenses. Apart from the borrowings of approximately RMB62,750,000 (31 December 2024: RMB51,800,000) which were secured by certain assets with carrying amount of approximately RMB133,942,000 (31 December 2024: RMB145,049,000), others were unsecured. Short-term borrowings amounted to approximately RMB45,100,000 (31 December 2024: RMB83,550,000, while others were long-term borrowings due after one year).

## **Capital Structure**

The long-term capital of the Group comprised equity attributable to owners and borrowings, which was confirmed by the sound debt-to-capitalisation ratio.

## **Foreign Exchange Risk**

As all of our operations are in China and substantially all of its revenue and expenses are denominated in RMB, there was no significant foreign exchange risk in its operation. We currently do not have foreign currency hedging policy but monitor the market trends of exchange rates closely, and adopt appropriate measures when necessary.

## **Capital and Other Commitments**

As at 30 June 2025, the capital commitments of the Group amounted to approximately RMB30,864,000 (31 December 2024: RMB23,019,000), mainly attributable to running district gas pipelines construction. Details are set out in note 13.

## **Contingent Liabilities**

As at 30 June 2025, the Group has no significant contingent liability.

## **Event After the End of the Reporting Period**

There was no significant event took place subsequent to the end of the reporting date.

## **Employees**

As at 30 June 2025, we had approximately 4,900 employees, most of them were stationed in China. The employees' salaries are determined from time to time with reference to their duties and responsibilities, business performance of the Group and profitability and market conditions. In addition to pension funds, individual employees may be granted discretionary bonus and/or share options as rewards for their performance.

## **PROSPECTS AND OUTLOOK**

The energy mix in the PRC is shifting towards low-carbon and environmentally friendly focus, with natural gas playing an increasingly prominent role. Natural gas is an important cornerstone for the high-quality social and economic development in the PRC, and it shoulders the mission of ensuring energy security and promoting green and low-carbon transformation. Currently, the natural gas consumption structure in the PRC has covered multiple fields such as urban gas, industrial fuel, chemical industry, transportation and power generation, among which urban gas consumption accounts for an overwhelming proportion. In pursuit of “emission peak and carbon neutrality” goals, natural gas, as a high-quality clean energy, plays an increasingly prominent role in optimizing the energy mix and improving the environment. It will become an important energy component in China's transformation to a low-carbon industry, which will also usher in opportunities for the natural growth of business scale.

Natural gas and LPG remain the major commodities of the Group's gas business in the future. Natural gas and LPG, as clean and low-carbon fossil energy, will further contribute to the achievement of peak carbon dioxide emissions and carbon neutrality goals in the future. The government will proactively promote the gas industry to achieve high quality development.

### **Piped Gas Transmission and Distribution Business**

In the first half of 2025, China's economy continued to rebound and improve, with society-wide total energy consumption growth accelerating. High-quality development of the energy industry is steadily advancing, domestic energy production is making stable increase, and supply guarantee is further enhanced. Furthermore, as required by the Implementation Plan for Aging Renovation of Urban Gas Pipelines (2022-2025)(《城市燃氣管道等老化更新改造實施方案(2022-2025)》), China is advancing the renovation and intelligent upgrading of urban gas pipelines, to further improve energy infrastructure, it is planned to generally complete the renovation of aging urban gas pipelines by the end of 2025. As the urban gas pipeline renovation and intelligent upgrades advance, China's urban gas infrastructure will continue to improve. Therefore, we maintain confidence in the future piped gas market. The Group will continue to ensure the safe and effective operation of facilities and provide strong gas guarantee for people's livelihood.

### **Cylinder Gas Supply Business**

As featured by flexible and convenient supply methods, efficient, clean and wide range of application scenarios, cylinder gas is widely used in various sectors, including residential life, commercial activities and industrial manufacturing. Leveraging its advantages, cylinder gas effectively complements shortcomings of piped gas in terms of the coverage and supply flexibility, improving the overall stability and security of the energy system. As a relatively clean and efficient form of energy, cylinder gas will maintain a relatively important role in the national energy structure, serving as an effective supplement to piped gas supply. It will remain a beneficial supplement to the piped gas supply for the foreseeable future.

### **Gas Distribution Business**

As an efficient and clean energy, LNG has broad application prospect in industry, power generation, transportation and other fields. As its technology advances, production costs of LNG further decrease and supply capacity increases. At the same time, LNG transportation and storage technology is also constantly improving, providing technical support for the wide application of LNG. In terms of the gas distribution, the Group will seize industry development opportunities and strive to expand the scale of gas distribution, thus steadily increasing gas sales and revenue.

The Group will continue to ensure the safe and efficient operation of its gas business, and guarantee the gas supply for people's livelihood. It will also actively develop industrial gas, expand its market share and follow government policy guidelines to achieve the sustainable development of the Group's gas business featuring healthy, orderly and safe.



## **Food Ingredients Supply and FMCG Business**

In respect of the food ingredients supply and FMCG business, through all-round platformization management, intelligent management, the Group greatly improved the efficiency of distribution. The handover of the food ingredients supply and FMCG business to third parties for their operations will facilitate the food materials supply and FMCG business to explore new markets and achieve mutual benefits. In terms of retail business, as the economy of the society has fully restored to its normal operation, consumption potential unleashed under the release of consumption policies. Thus, the consumption has been recovering quickly. Upon the handover of the food ingredients supply and FMCG business to third parties for their operation and management, efficient processes will be introduced for reducing the operating costs and improving the profitability of the food ingredients supply and FMCG business.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

## **CORPORATE GOVERNANCE**

The Company's corporate governance practices are based on the principles and the code provisions (the "**Code Provisions**") as set out in the "Corporate Governance Code" contained in Appendix C1 of the Listing Rules on the Stock Exchange. As far as the Code Provisions is concerned, for the six months ended 30 June 2025, the Company complied with all aspect of the Code Provisions.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE")**

The Company has adopted the Model Code set out in the Appendix C3 to the Listing Rules, as amended from time to time. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the Period.

## **REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE**

The audit committee of the Company has reviewed the Group's consolidated financial statements for the Period, including the accounting principles adopted by the Group, with the Company's management.

## **PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

The interim results announcement and interim report of the Company for the Period containing all the information required by the Listing Rules will be published on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the website of the Company at [www.681hk.com](http://www.681hk.com) and be despatched to the Shareholders, if required, in due course.

By Order of the Board  
**Chinese People Holdings Company Limited**  
**Mr. Fan Fangyi**  
*Managing Director and Executive Director*

Beijing, 26 August 2025

*As at the date of this announcement, the Board comprises five Executive Directors namely, Dr. Mo Shikang (Chairman), Mr. Zhang Hesheng (Deputy Chairman), Mr. Fan Fangyi (Managing Director), Miss Mo Yunbi and Ms. Li Fun Replen, one Non-executive Director namely, Dr. Liu Junmin, and three Independent Non-executive Directors namely, Prof. Zhao Yanyun, Mr. Cheung Chi Ming and Dr. Liu Xiaoxin.*