Application Proof of

ENN Natural Gas Co., Ltd.
新奧天然氣股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

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Offer or invitation to make an offer for any securities will only be made to the shareholders of ENN Energy and holders of share options granted by ENN Energy which remain outstanding ("**ENN Energy Optionholders**") in Hong Kong after the Company, Xinneng HK and ENN Energy have despatched the relevant scheme document in connection with the Privatization Proposal (the "**Scheme Document**") to which a copy of the Company's listing document will attach. If an offer or an invitation is made to the shareholders of ENN Energy and ENN Energy Optionholders in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the Scheme Document to be posted on the Stock Exchange's website, copies of which will be made available to the shareholders of ENN Energy and ENN Energy Optionholders.

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this Document, you should obtain independent professional advice.

新奥天然气股份有限公司
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(a joint stock company incorporated in the People's Republic of China with limited liability)

[**REDACTED**]

[REDACTED] BY WAY OF [REDACTED] OF H SHARES OF
ENN NATURAL GAS CO., LTD.
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED

Nominal Value RMB1.00 each

Sole Sponsor

CICC 中金公司

This Document is published in connection with the [**REDACTED**] on the Main Board of the Stock Exchange and contains particulars given in compliance with the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules solely for the purpose of giving information with regard to the Company and its subsidiaries.

This Document does not constitute an offer of, nor is it calculated to invite offers for, shares or other securities of the Company, nor have any [REDACTED] or other securities been allotted with a view to any of them being offered for sale to or subscription by the public.

Your attention is drawn to the section headed "Risk Factors" of this Document.

Our Company is incorporated, and a majority part of its businesses and assets are located, in mainland China. Potential investors should be aware of the differences in the legal, economic and financial systems between mainland China and Hong Kong (both are integral parts of China) and that there are different risk factors relating to making an [**REDACTED**] in our Company. Potential investors should also be aware that the regulatory framework in mainland China is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the H Shares. Such differences and risk factors are set out in the sections headed "Risk Factors", "Appendix IV — Summary of Legal and Regulatory Provisions" and "Appendix V — Summary of the Articles of Association" of this Document. Information regarding the proposed arrangements for the [**REDACTED**] and registration of, and for [**REDACTED**] and settlement of [**REDACTED**] in, the H Shares following the [**REDACTED**] is set out in the section headed "Information about this Document and the [**REDACTED**]" of this Document.

The H Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and will be [**REDACTED**] in reliance on the exemption from the registration requirements of the U.S. Securities Act, as amended, provided by Section 3(a)(10) thereof based on the sanctioning of the Scheme by the Grand Court of the Cayman Islands, and in reliance on applicable exemptions under U.S. state securities laws.

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[REDACTED]

EXPECTED TIMETABLE[1]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

CONTENTS

This Document is [**REDACTED**] *by our Company solely in connection with the* [**REDACTED**] *and does not constitute an offer to sell or a solicitation of an offer to* [**REDACTED**] *for or buy any security. This Document may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to subscribe for or buy any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a public* [**REDACTED**] *of our Shares or the distribution of this Document in any jurisdiction other than Hong Kong.*

You should rely only on the information contained in this Document, the Scheme Document and the public filings made by us and/or ENN Energy in relation to the [**REDACTED**] *and the Privatization to make your* [**REDACTED**] *decision. We have not authorized anyone to provide you with information that is different from what is contained therein. Any information or representation not included in this Document must not be relied on by you as having been authorized by us, the Sole Sponsor, any of our or its respective directors or advisors, or any other person or party involved in the* [**REDACTED**] *and the Privatization. Information contained on our website, located at https://www.enn-ng.com/, does not form part of this Document.*

CONTENTS

This summary aims to give you an overview of the information contained in this Document. As it is a summary, it does not contain all the information that may be important to you and all content of such information is subject to the full text of this Document. It should be read in conjunction with the full text of this Document. You should read this Document in its entirety before you decide to [**REDACTED**] ***in our H Shares.***

There are risks associated with any investment. Some of the particular risks in [**REDACTED**] ***in our H Shares are set out in the section headed "Risk Factors." You should read that section carefully before you decide to invest in our H Shares.***

OVERVIEW

We are the largest privately-owned natural gas company in China[1], covering the entire natural gas industry chain. As an industry-leading energy enterprise, we are building on an all-scenario natural gas foundation, backed by over 30 years of operational experience. We possess an extensive and solid customer base, abundant long-term domestic and overseas supplying sources, China's largest privately-owned LNG receiving terminal[2], and the proprietary risk control and hedging trading system. We continue to deepen our business layout in the natural gas ecosystem. Meanwhile, guided by the philosophy of "customer-oriented philosophy, industry-intelligence synergy, and intelligence innovation for the future (客戶牽引、產智互促、智創未來)," we focus on our customers' evolving demands under different scenarios for low carbon energy, energy efficiency with sustainability as well as quality lifestyle experiences, and have progressively expanded our business portfolio, including integrated energy and value-added business, successfully cultivating new growth drivers for our business. We are also strategically strengthening our digital intelligence capabilities, striving to becoming a global leader in the energy transition.

1 According to Frost & Sullivan, in terms of the retail volumes and total sales volumes of natural gas in 2024

2 According to Frost & Sullivan, in terms of the actual processing capacity of receiving terminals in 2024

The chart below demonstrates our business highlights:

Industry-leading and China's largest privately-owned natural gas company[3]

Demand Advantages[4]

Total gas sales volume of **39.2 billion** m^3
261 city gas projects
Over 31 million residential customers and **270,000** C&I customers

Resource Advantages

Long-term supply contracts with over **10 million tons/year**
No. 1 among PRC private companies in terms of overseas long-term LNG contracts volume[5]

Infrastructure Advantages[6]

First LNG receiving terminal approved by the National Energy Administration to be invested by a privately-owned enterprise **in China**
Largest privately-owned LNG receiving terminal **in China**

Transaction and Risk Control Advantages

First privately-owned natural gas company **in China independently developing** a digital intelligent system for hedging activities and risk management[7]

Leading Integrated Energy Concept and Size

Largest provider of integrated energy and intelligent management solution **in China**[8]

Robust Value-added Business Model

Leveraging frequent access to over **31 million** residential users to drive rapid growth in value-added business

Leading ESG Performance

First and only Chinese company in the global utilities sector that receives an MSCI AAA rating[9]

Robust Financial Position

Net operating cash flow of **RMB13.7 billion** in 2024
Return on equity of **16.7%**
Net debt to total equity ratio of **25.6%**

Consistently Growing Shareholder Returns

Core profit dividend payout ratio[10] **of 48%** for 2024
Future core profit dividend payout ratio[10] **not less than 50%** from 2026 through 2028

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3 In terms of total sales volume of natural gas in 2024, with a market share of approximately 9.2%, according to Frost & Sullivan

4 Using data as of December 31, 2024, and inclusive of operating data of associate companies and joint ventures

5 In terms of overseas LNG long-term contract volume, with a market share of 8.5%, according to Frost & Sullivan

6 In terms of actual processing capacity of LNG receiving terminals, according to Frost & Sullivan

7 According to Frost & Sullivan

8 In terms of the total revenue generated by the integrated energy business in 2024, with a market share of approximate 10.1%, according to Frost & Sullivan

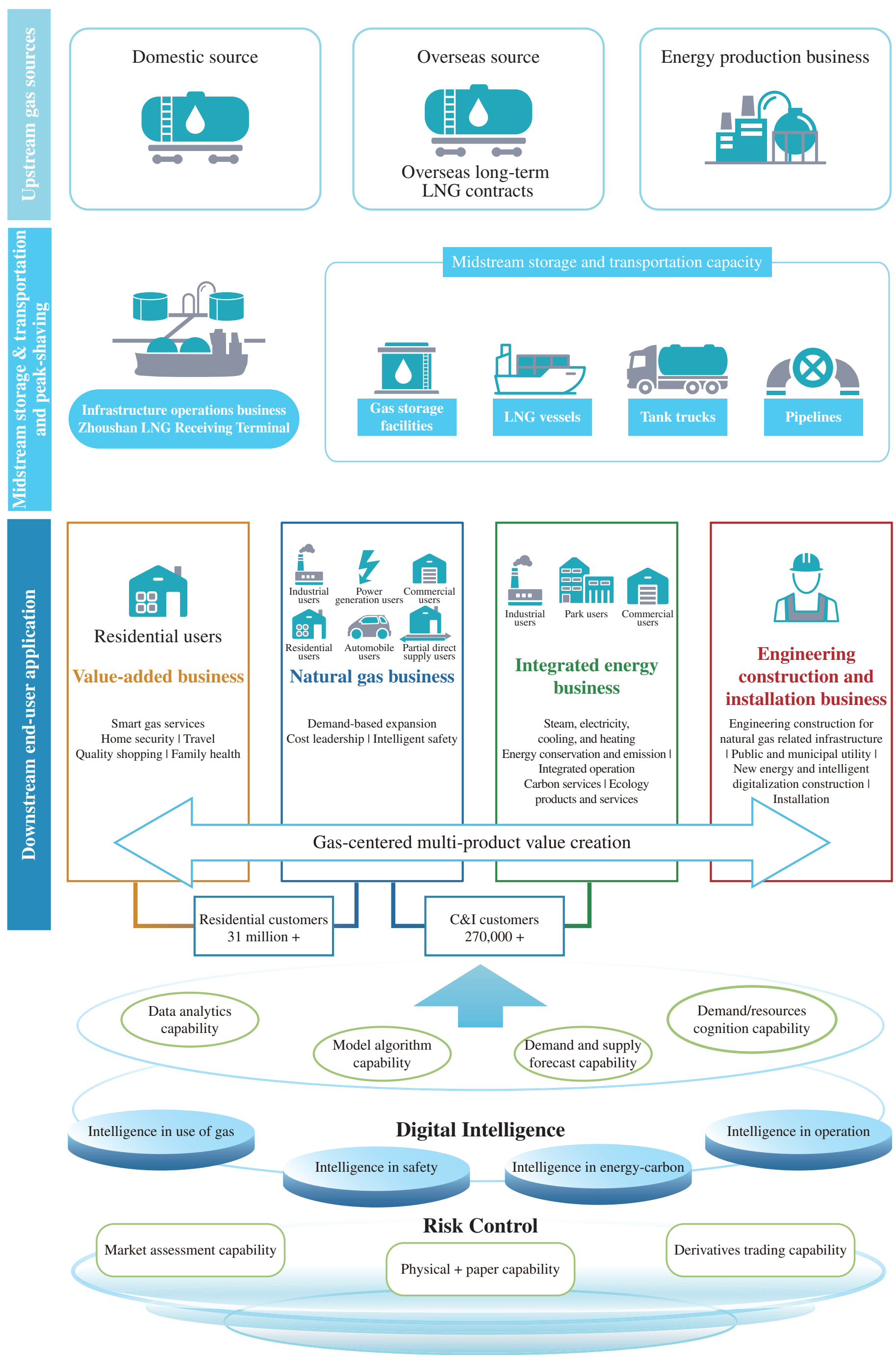
9 According to Frost & Sullivan, as of the Latest Practicable Date

10 For the calculation of the core profit dividend payout ratio, see "Financial Information – Key Financial Ratios"

Our Business

We have an integrated upstream, midstream and downstream business portfolio in clean energy industry and we primarily operate a vertically integrated business model along and across the entire natural gas value chain. We provided a comprehensive suite of businesses and services, including (i) natural gas sales business, comprising retail of gas, direct gas sales by platform, and wholesale of gas; (ii) integrated energy business; (iii) value-added business; (iv) engineering construction and installation; (v) infrastructure operations; and (vi) energy production, with business coverage extending nationwide.

The following diagram illustrates our current business layout:



The natural gas sales business involves selling natural gas to our customers, which is categorized into three subsegments:

- Retail of gas, which primarily involves selling natural gas to our domestic retail customers, including residential customers and C&I customers. Our city gas projects for the retail of gas business mainly rely on the exclusive concession rights granted to us by local Chinese governments. Under such concession rights, we were granted the exclusive rights to sell PNG to customers in the operating areas and construct urban pipeline networks within such areas.

- Direct gas sales by platform business, which primarily involves selling the natural gas we procured from overseas suppliers, supplemented by domestic natural gas resources, to our non-residential customers directly who are outside of our operating areas. Such customers are mainly domestic and international non-residential customers.

- Wholesale of gas, which mainly involves selling natural gas to our wholesale customers outside our pipeline network's reach. Such customers primarily include city gas enterprises, gas traders and gas refueling stations.

Our integrated energy business is rooted in our clients' actual needs and centers on the full value chain of energy development and utilization. By adapting to local conditions, we prioritize clean energy and utilize complementary integrated energies to deliver holistic energy solutions that connect both energy supply and demand, with overall support of implementation and operation.

Our value-added business delivers a variety of strategically structured products and solutions for modern households, including (i) essential service and products, (ii) smart IoT products, and (iii) quality life products, each of which addresses differentiated and aspirational customer needs.

Our engineering construction and installation business mainly comprises (i) engineering construction, which primarily involves the construction of natural gas related infrastructure, public and municipal utilities, new energy and intelligent digitalization facilities, and (ii) construction and installation, which primarily includes gas pipeline network installation, equipment setup, indoor piping and facility installation, as well as after-sales maintenance and support.

We operate natural gas infrastructure such as our Zhoushan LNG Receiving Terminal and the gas storage and transportation facilities, and normally charge service fees to our customers for unloading, gasification, storage, transportation and other related operations and services.

In addition, we also produce various energy resources such as methanol and other chemical products during the Track Record Period.

See "Business — Our Business" for details.

Synergies across Business Segments

Integration Across the Upstream, Midstream and Downstream Segments

In terms of upstream, we actively acquire domestic and international long-term contract resources and build a diversified and flexible resource pool. At present, we have signed overseas long-term contracts for more than 10 million tons per year. According to Frost & Sullivan, we have the largest overseas LNG long-term contract volume among privately-owned enterprises in China. In terms of midstream, our Zhoushan LNG Receiving Terminal began construction as early as 2016 and officially commenced operation in 2018. It is the first large-scale LNG receiving terminal project approved by the National Energy Administration to be invested in by a privately-owned enterprise. According to the Frost & Sullivan, our Zhoushan LNG Receiving Terminal, with an actual processing capacity of 7.5 million tons per year, ranked first among all privately-owned LNG receiving terminals in China. Upon completion of its Phase III construction in 2025, the actual processing capacity of our Zhonshan LNG Receiving Terminal is expected to exceed 10 million tons per year. In terms of downstream, we have a large and solid customer base, serving more than 31 million residential customers and 270,000 C&I customers. According to Frost & Sullivan, we were the largest privately-owned natural gas operator in China in terms of retail volume of natural gas in 2024.

We have implemented an integrated layout across the upstream, midstream and downstream segments, made concerted efforts to achieve mutually reinforcing development, significantly improved the operational efficiency of the industrial chain, enabling us to fully respond to market fluctuations and continuously strengthen our core competitiveness and create greater value for customers. Upon the [**REDACTED**] of Privatization and [**REDACTED**], our integrated layout will be more cohesive and seamlessly interconnected to form a strong development synergy, which can better cope with the changes in the natural gas industry and form a unique integration advantage in customer service, resource reserve, facility empowerment and risk control.

Rooted in our core natural gas business, we have successfully cultivated new growth drivers

Based on our natural gas business, we remain focused on customer needs to deliver sustained value creation for customers. Leveraging over 30 years of industry expertise, we have accumulated deep insights into customer demand through long-term partnerships, enabling us to identify individualized demands and accordingly expand into the integrated energy and value-added businesses, thus forming our business layout.

Our Track Record Performance

During the Track Record Period, we delivered solid profitability, which provided strong support of our development. In 2022, 2023 and 2024, our revenue was RMB150.0 billion, RMB141.1 billion, and RMB134.9 billion, respectively. For the same periods, our net profit was RMB11.1 billion, RMB12.5 billion, and RMB9.9 billion, respectively, with net profit margins of 7.4%, 8.9%, and 7.4%, respectively, and our core profit was RMB6.1 billion, RMB6.4 billion and RMB5.1 billion, respectively. We maintained robust cash flow throughout the Track Record Period and our net cash flow generated from operating activities were RMB14.8 billion, RMB13.5 billion, and RMB13.7 billion in 2022, 2023 and 2024, respectively.

Our ESG Commitment and Strategy

We believe that robust ESG management and sound corporate governance are pivotal to our long-term success and sustainability of our business. Amidst profound transformations in the global energy industry and escalating climate change risks, we have crafted our sustainability vision under the guidance of "With Wisdom, We Innovate Sustainable Energy" (the "**WISE Strategy**") to addresses three fundamental pillars of ESG, namely environment, social responsibility, and governance. Such strategy operationalizes through four actionable pathways, including "self-driven altruism," "excellent governance," "safe energy supply," and "green development," which collectively form our ESG architecture.

Our Core Values

Customers always take precedence. We are committed to prioritizing our customers' demands in our business and operations. In addition, we have been continuously enhancing our organizational capabilities and professional competence through rigorous self-assessment and specialized expertise accumulation. Furthermore, by integrating industrial know-how with digital intelligence, we leverage such industry-intelligence synergy to innovate and optimize our business model, thereby reinforcing our determination to pursue strategic transformation and long-term sustainable growth.

COMPETITIVE STRENGTHS

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth:

- We are the largest private natural gas operator in China.
- Our operation covers the entire natural gas industry value chain in China, driving continuous growth of our natural gas business through coordination of our four capability pillars.
- Capitalizing on a large and solid customer base of natural gas sales business, we have accumulated deep insights into customer demand and successfully cultivated new growth drivers for our business.
- Digital intelligence capabilities ensure our sustainable and stable business development.

- Outstanding ESG performance empowers us to continuously unleash growth potential.

- Our management team has long plowed into the industry under our flexible and robust corporate governance framework.

FUTURE STRATEGY

Heralding in the foreseeable era of the intelligence, we will uphold the strategic philosophy focusing on the "**WISE Strategy**", with low carbon, innovation, and sustainability as our vision. Leveraging four capability pillars and advanced intelligent solutions, we will deeply engage in the natural gas sector across all scenarios, empowering the energy industry with intelligent solutions, resolving challenges for customers and the industry, reducing energy consumption costs, and meeting diverse customer needs. We will continue to expand new growth frontiers within the energy ecosystem and are committed to becoming a leader in the global energy transition.

We plan to pursue the following strategies:

- Stay customer-oriented to strengthen the engagement with existing customers and acquire new customers.

- Enhance our full-scenario advantages in natural gas and strengthen our strategic positioning throughout the entire industry value chain.

- Consolidate our business scale through digital intelligence capabilities under our "Strengthening Capabilities Through Intelligence" Strategy.

- Strengthen ecosystem collaboration and integrated capabilities to maximize business synergies.

- Advance low-carbon upgrading and continuously improve the technological innovation system.

OUR DIGITAL INTELLIGENCE CAPABILITIES

Digital intelligence is deeply embedded in every aspect of our operation and is demonstrated by various operational applications and initiatives. We have also developed three major digital platforms and enterprise-level AI systems and are continuously pursuing innovation and strategic deployment of intelligent applications.

We launched the Great Gas Net in 2015, which is designed to be an industry-wide professional competence recognition platform for natural gas. We aim to provide industry-based, best practice of intelligent capabilities for the market players via this platform, in order to tackle systemic capability asymmetry existed in the natural gas industry, promote efficiency and quality of natural gas related transactions, improve the professionalism and competency of all relevant market players, and support the collaborative and sustainable development of China's natural gas industry. Therefore, we took the initiative within our Group to promote the wide application of the Great Gas Net, offering various functions such as data collection and analysis, resource management and allocation, and intelligent infrastructure operation and surveillance. Moreover, the Great Gas Net is undergoing continuous technological iteration to strengthen our overall intelligent capabilities.

Besides, we further launched our e-City-e-Home platform in 2017, which is an integrated digital platform accessible through a dedicated website, a mobile application, and WeChat Mini Program. This platform has been designated as a centralized service hub for our natural gas retail customers, offering a suite of essential utilities management and value-added products and services.

Moreover, we developed and established an ETMO system, a core risk management platform, to support our hedging activities as our business scale expands. The ETMO system provides various functions, including a central data hub, stress testing modules, credit risk tracking and monitoring, an information sharing center and a 24/7 global emergency response mechanism. By integrating trading, risk control, and financial settlement functions, the ETMO system enhances our ability to make data-driven decisions, manage risk exposure, and stabilize operational cash flows.

CUSTOMERS AND SUPPLIERS

The customers of our natural gas sales business primarily consist of (i) our retail customers, including residential customers and C&I customers, (ii) non-residential customers of our direct gas sales by platform, and (iii) wholesale customers. The clients of our integrated energy business comprises three major types, including industrial parks, factories and commercial buildings, whereas the customers of our engineering construction spans across diversified energy sectors. In addition, our value-added business and construction and installation business primarily cater to our retail customers. During the Track Record Period, our five largest customers were all natural gas distributors and traders. Revenue from our five largest customers in 2022, 2023 and 2024 accounted for approximately 10.7%, 5.8%, and 4.4% of our total revenue, respectively; and revenue from our largest customer in each year accounted for approximately 5.1%, 1.8%, and 1.3% of our total revenue in each year, respectively.

Our major suppliers are natural gas suppliers and we have a globally diversified portfolio of upstream natural gas supplies. During the Track Record Period, our purchases from the five largest suppliers in 2022, 2023 and 2024 accounted for approximately 32.9%, 31.4%, and 35.2% of our total purchases, respectively; and purchases from our largest supplier in each year accounted for approximately 16.6%, 18.1%, and 21.4% of our total purchases, respectively.

INDUSTRY AND COMPETITIVE LANDSCAPE

According to Frost & Sullivan, the natural gas industry in China is relatively concentrated. The total retail volume of natural gas among the top five city gas companies in China has reached approximately 135.5 billion m^3 in 2024, accounting for approximately 31.7% of the total market share. Among the top five city gas companies, we are the largest privately-owned company and the third largest company, in terms of the retail volume in 2024 with a market share of approximately 6.1% in 2024. In addition, the total volume of LNG under the overseas LNG long-term contracts signed by Chinese companies has reached over 120 million tons in 2024, with the top four companies accounting for 81.8% of the overall market share and the top three companies (all being SOEs) accounting for 73.3% of the overall market share. We are the fourth largest market player with 8.5% of the total market share, making us the largest privately-owned company in terms of overseas LNG long-term contracted volume in 2024. Moreover, the integrated energy intelligent management solution industry in China is relatively fragmented, according to Frost & Sullivan. In 2024, the top five companies in China's integrated energy intelligent management solutions market accounted for a total market share of approximately 19.7% in terms of revenue, among which we ranked first with approximately 10.1% of the total market share. See "Industry Overview" for details.

CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Mr. WANG Yusuo, our executive Director, was interested in an aggregate of 2,243,449,808 of A Shares (of which approximately 1,911,750 A Shares was being held directly by Mr. WANG Yusuo and approximately 2,241,538,058 A Shares was being held through entities controlled by Mr. WANG Yusuo), representing (i) approximately 72.44% of our total issued share capital and (ii) approximately 72.58% of the voting power at general meetings of our Company (excluding the 6,034,980 A Shares held by our Company as treasury Shares as of the Latest Practicable Date).

Immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization (assuming that there has been no other change to the issued share capital of our Company and ENN Energy and holdings of our Shares), Mr. WANG Yusuo and his spouse, Ms. ZHAO Baoju will continue to be entitled to control approximately [**REDACTED**] of the voting power at general meetings of our Company (excluding the [6,034,980] A Shares held by our Company as treasury Shares).

As of the Latest Practicable Date, apart from our Group, none of our Controlling Shareholders were conducting any businesses or holding controlling interest directly or indirectly in companies which are engaged in businesses in competition or is likely to be in competition with the businesses of our Group directly or indirectly, and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

For further details about our Controlling Shareholder, see "Relationship with Controlling Shareholders."

CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the [**REDACTED**] of the [**REDACTED**], some of which will constitute our partially-exempt continuing connected transactions under Chapter 14A of Listing Rules upon [**REDACTED**]. See "Connected Transactions" and "Waivers."

THE PRIVATIZATION PROPOSAL

The Offeror, a wholly-owned subsidiary of the Company, has made the Privatization Proposal to privatize ENN Energy by way of a scheme of arrangement under section 86 of the Cayman Companies Act. Upon fulfillment or waiver (as applicable) of the conditions to the Privatization Proposal as set forth in detail in the Scheme Document and the Scheme becoming effective, all of the Scheme Shares will be cancelled and the Scheme Shareholders whose names appear on the register of members of ENN Energy on the Scheme Record Date will be entitled to receive, for every Scheme Share being cancelled, [**REDACTED**] new ENN-NG H Shares to be [**REDACTED**] by our Company [(except for ENN Energy Non-Qualifying Overseas Shareholders)] and HK$24.50 to be paid by the Offeror in cash.

The Share Exchange Ratio for the ENN-NG H Shares Consideration (being [**REDACTED**] new ENN-NG H Shares for every Scheme Share cancelled) and the Cash Consideration of HK$24.50 for every Scheme Share cancelled were determined on commercial basis after taking into account various circumstances.

In addition, the Offeror has made the ENN Energy Share Option Offer, which is conditional upon the Scheme becoming effective, to the ENN Energy Share Option Holders to cancel all ENN Energy Share Options for HK$[**REDACTED**] in cash for each ENN Energy Share Option with the exercise price of HK$40.34 and HK$[**REDACTED**] in cash for each ENN Energy Share Option with the exercise price of HK$76.36 in accordance with Rule 13 of the Takeovers Code.

The consideration for the cancellation of each ENN Energy Share Option represents the "see-through" price, which is the excess of the theoretical value of the Cancellation Consideration of HK$[**REDACTED**] over the relevant exercise price of the ENN Energy Share Options.

Upon the fulfillment (or waiver, as applicable) of the conditions to the Privatization Proposal and following [**REDACTED**] of the Privatization Proposal:

- the [**REDACTED**] of ENN Energy Shares on the Hong Kong Stock Exchange will be withdrawn;
- the ENN-NG H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange;
- Scheme Shareholders will receive the Cash Consideration;

- Scheme Shareholders [(except for ENN Energy Non-Qualifying Overseas Shareholders)] will become holders of ENN-NG H Shares; and

- the privatized ENN Energy will become an indirect wholly-owned subsidiary of ENN-NG.

See "History and Corporate Structure — The Privatization Proposal" for details.

BENEFITS OF THE [REDACTED] AND THE PRIVATIZATION

The Board believes that upon the [**REDACTED**] of the Privatization Proposal, the Enlarged ENN-NG Group will offer highly attractive investment opportunities to the Scheme Shareholders. Following the Privatization Proposal, the Scheme Shareholders will not only be able to continue investing in ENN Energy (as part of the Enlarged ENN-NG Group), which possesses a range of competitive advantages and fully enjoys the global energy transformation benefits, but also share in the potential synergy effects and business growth potential that may result from further integration between the Company and ENN Energy.

The long-term potential benefits for the Scheme Shareholders include the following aspects:

- Synergy in the natural gas industry chain driving business growth;

- Significant improvement in operational efficiency and risk resistance capability; and

- Strengthening capital market appeal.

See "Benefits of the [**REDACTED**] and the Privatization" for details.

FUTURE PLANS AND PROSPECTS

Following the Privatization and the [**REDACTED**] of the [**REDACTED**], we plan to further implement the following measures in business integration, capital operations, and corporate governance. These efforts aim to fully unleash synergies, solidify our strategic positioning as an integrated operator across the natural gas value chain, and reinforce our commitment to becoming a global leader in the energy transition.

We will strengthen the integration of advantages in the following aspects to fully unleash the overall synergistic effect of our business.

- Integrate customers within and outside the operating areas, leverage advantages of channels, and continue to expand the scale of gas sales.

- Solidify the advantages of integrated resource pool to better meet the diversified customer needs, and achieve the mutual promotion and progress of resource pool development and customer needs.

- Deepen the coordinating role of the infrastructure and reduce transmission and storage costs to achieve efficient resource allocation.

- Integrate and iterate the risk control system to ensure stable business development.

- Aggregate a broader industrial ecosystem to maximize business value.

Our capital management plans primarily include:

- Optimize management of funds and foreign exchanges.

- Increase core profit dividend payout ratio to reward shareholders.

- Establish an [**REDACTED**] platform, and strengthen international competitiveness and influence.

Our corporate governance plans primarily include:

- Streamline decision-making processes for flexible and coordinated responses.

- Enhance governance efficiency and strengthen talent management.

- Continue the practice of ESG concepts to support intelligent, innovative and sustainable development.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth summary financial data from our consolidated financial information during the Track Record Period, extracted from the Accountants' Report as set out in Appendix I to this Document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this Document, including the related notes. Our consolidated financial information has been prepared in accordance with the HKFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss

The following table summarizes our results of operations for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in millions, except for percentages)					
Continuing operations						
Revenue	150,020	100.0	141,115	100.0	134,946	100.0
Cost of sales	(129,658)	(86.4)	(122,691)	(86.9)	(116,588)	(86.4)
Gross profit	20,362	13.6	18,424	13.1	18,358	13.6
Other income	868	0.6	1,088	0.8	1,304	1.0
Other gains and losses	20	0.0	(539)	(0.4)	72	0.1
Distribution and selling expenses	(1,477)	(1.0)	(1,424)	(1.0)	(1,512)	(1.1)
Administrative expenses	(4,286)	(2.9)	(4,428)	(3.1)	(4,200)	(3.1)
Research and development expenses	(1,218)	(0.8)	(955)	(0.7)	(824)	(0.6)
Share of results of associates	151	0.1	180	0.1	328	0.2
Share of results of joint ventures	(18)	0.0	54	0.0	249	0.2
Finance costs	(1,296)	(0.9)	(1,340)	(0.9)	(1,139)	(0.8)
Profit before tax from continuing operations	13,106	8.7	11,060	7.9	12,636	9.4
Income tax expense	(3,367)	(2.2)	(2,787)	(2.0)	(2,692)	(2.0)
Profit for the year from continuing operations	9,739	6.5	8,273	5.9	9,944	7.4
Discontinued operation						
Profit for the year from discontinued operation	1,334	0.9	4,257	3.0	–	–
Profit for the year	**11,073**	**7.4**	**12,530**	**8.9**	**9,944**	**7.4**
Profit for the year attributable to owners of the Company						
From continuing operations	4,509	3.0	2,834	2.0	4,493	3.3
From discontinued operation	1,334	0.9	4,257	3.0	–	–
	5,843	3.9	7,091	5.0	4,493	3.3
Profit for the year attributable to non-controlling interests						
From continuing operations	5,230	3.5	5,439	3.9	5,451	4.0
Total	**11,073**	**7.4**	**12,530**	**8.9**	**9,944**	**7.4**

Revenue

During the Track Record Period, we derived our revenue from the following business segments: (i) natural gas sales business; (ii) integrated energy business; (iii) value-added business; (iv) engineering construction and installation; (v) infrastructure operations; and (vi) energy production. The following table summarizes our revenue by business segment (after elimination of intersegment revenue) for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Natural gas sales	120,199	80.1	109,275	77.4	103,774	76.9
– Retail of gas	70,051	46.6	69,453	49.2	67,241	49.9
– Wholesales of gas	33,834	22.6	29,173	20.7	23,649	17.5
– Direct gas sales by platform	16,314	10.9	10,649	7.5	12,884	9.5
Integrated energy business	12,052	8.0	15,192	10.8	15,565	11.5
Value-added business	3,534	2.4	3,960	2.8	4,779	3.5
Engineering construction and installation	8,440	5.6	8,517	6.0	5,936	4.4
Infrastructure operations	227	0.2	206	0.1	563	0.4
Energy production	5,568	3.7	3,965	2.9	4,329	3.3
Total	**150,020**	**100.0**	**141,115**	**100.0**	**134,946**	**100.0**

During the Track Record Period, a majority of our revenue was derived from our sales of natural gas business, representing approximately 80.1%, 77.4% and 76.9% of our total revenue for the same periods.

Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of our gross profit and gross margin by business segment for the years indicated.

	For the year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	(RMB in millions, except percentages)					
Natural gas sales	13,080	10.9	10,684	9.8	10,005	9.6
– Retail of gas	7,354	10.5	7,577	10.9	7,889	11.7
– Wholesales of gas	2,642	7.8	1,194	4.1	45	0.2
– Direct gas sales by platform	3,084	18.9	1,913	18.0	2,071	16.1
Integrated energy business	1,627	13.5	1,962	12.9	2,317	14.9
Value-added business	2,149	60.8	2,557	64.6	3,048	63.8
Engineering construction and installation	3,419	40.5	3,367	39.5	2,247	37.9
Infrastructure operations	125	55.1	136	66.0	405	71.9
Energy production	(38)	(0.7)	(282)	(7.1)	336	7.8
Total	**20,362**	**13.6**	**18,424**	**13.1**	**18,358**	**13.6**

Profits for the Year

We recorded profit for the year of RMB11,073 million, RMB12,530 million and RMB9,944 million for 2022, 2023 and 2024, respectively. See "Financial Information — Continuing Operations — Profit for the Year" for details.

Summary of Consolidated Statements of Financial Position

The following table summarizes our financial positions for the years indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Total current assets	38,183	42,830	36,009
Total non-current assets	98,013	91,745	96,477
Total assets	136,196	134,575	132,486
Total current liabilities	48,738	46,148	43,453
Total non-current liabilities	35,896	29,891	28,490
Total liabilities	84,634	76,039	71,943
Net current liabilities	(10,555)	(3,318)	(7,444)
Equity attributable to owners of the Company	17,578	23,654	23,467
Non-controlling interests	33,984	34,882	37,076
Total equity	51,562	58,536	60,543

We recorded net current liabilities of RMB10,555 million, RMB3,318 million and RMB7,444 million as of December 31, 2022, 2023 and 2024, respectively, primarily due to a significant amount of contract liabilities representing primarily deposits that we received from customers for our continuous gas supply and services. Such contract liabilities will be recognized as revenue as the performance obligation is satisfied.

For details of the fluctuation in key items of our consolidated statements of financial position and net current liabilities during the Track Record Period, see "Financial Information — Working Capital."

Summary Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated:

	As of and for the year ended December 31,		
	2022	2023	2024
	(RMB in millions)		
Net cash flows generated from operating activities	14,769	13,453	13,710
Net cash flows (used in)/generated from investing activities	(6,619)	2,650	(6,440)
Net cash flows used in financing activities	(9,677)	(8,291)	(10,733)
Net (decrease)/increase in cash and cash equivalents	**(1,527)**	**7,812**	**(3,463)**
Cash and cash equivalents at the beginning of the year	12,412	10,955	18,776
Effect of foreign exchange rate changes	70	9	51
Cash and cash equivalents at the end of the year	**10,955**	**18,776**	**15,364**

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates or for the years indicated:

	As of or for the year ended December 31,		
	2022	2023	2024
Current ratio(1)	0.78	0.93	0.83
Quick ratio(2)	0.73	0.88	0.78
Net debt(3) *(RMB in millions)*	24,803	14,660	15,473
Net debt to total equity ratio(4)	48.1%	25.0%	25.6%
Net cash generated from operating activities *(RMB in millions)*	14,769	13,453	13,710
Return on assets(5)	8.2%	9.3%	7.5%
Return on equity(6)	22.2%	22.8%	16.7%
Profit for the year attributable to owners of the Company *(RMB in millions)*	5,843	7,091	4,493

	As of or for the year ended December 31,		
	2022	2023	2024
Core profit for the year attributable to owners of the Company(7) *(RMB in millions)*	6,067	6,378	5,143
Gross margin	13.6%	13.1%	13.6%
Net margin(8)	7.4%	8.9%	7.4%
Dividend payout ratio(9)	28.7%	39.7%	70.4%
Core profit dividend payout ratio(10)	26.0%	31.9%	48.4%

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities as of the dates indicated.

(2) Quick ratio is calculated by dividing the difference of current assets and inventories by total current liabilities as of the dates indicated.

(3) Net debt is calculated by the sum of bank and other loans (current and non-current) and notes minus cash and cash equivalents.

(4) Net debt to total equity ratio is calculated by dividing net debt by total equity as of the dates indicated.

(5) Return on assets ratio is calculated using net profit for the year divided by the average of opening and closing balance of total assets for the relevant year, multiplied by 100%.

(6) Return on equity ratio is calculated using net profit for the year divided by the average of opening and closing balance of total equity for the relevant year, multiplied by 100%.

(7) Core profit for the year attributable to owners of the Company from continuing and discontinued operations is calculated by subtracting changes in foreign exchange gains and losses, changes in fair value of derivative financial instruments, financial assets at FVTPL and investment properties, other impairment losses, share-based payment expenses, net gain or loss on disposal of non-current assets from net profit attributable to the owners of the Company. For a reconciliation of profit for the year attributable to the owners of the Company to core profit for the year attributable to the owners of the Company as we define, see "Financial Information — Non-HKFRS Measure."

(8) Net margin was calculated by dividing net profit for the year by revenue for the same year, multiplied by 100%.

(9) For the year ended December 31, 2022 and 2023, dividend payout ratio is calculated by dividing the sum of dividends paid to owners of the Company for the year and cash used in repurchase of shares for the year (if applicable) by profit for the year attributable to owner of the Company for the year, multiplied by 100%. For the year ended December 31, 2024, dividend payout ratio is calculated by dividing the sum of dividends paid to owners of the Company for the year and cash used in repurchase of shares which have been cancelled for the year (if applicable) by profit for the year attributable to owner of the Company for the year, multiplied by 100%. The change of calculation methods between the years of 2022 and 2023 and the year of 2024 was to comply with the Opinions on Strengthening the Supervision of Listed Company (Interim) (《關於加強上市公司監管的意見(試行)》) issued by the CSRC on March 15, 2024.

(10) Core profit dividend payout ratio is calculated by dividing dividends paid to owners of the Company for the year (excluding special dividend) by core profit for the year attributable to owner of the Company for the year, multiplied by 100%.

NON-HKFRS MEASURE

To supplement our consolidated statements of profit or loss which are presented in accordance with HKFRS, we also use core profit as non-HKFRS measure, which is not required by, or presented in accordance with, HKFRS. We believe that the presentation of non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful information to potential investors and our management to evaluate our underlying results of operation by eliminating potential impacts of certain items that are non-cash, or do not affect our ongoing operating performance, and items not related to our ordinary course of business. Such non-HKFRS measure allows investors to consider matrices used by our management in evaluating our performance, and we have been communicating [**REDACTED**] of our Company and ENN Energy and our investors using the concept of core profit. From time to time in the future, there may be other items that we may exclude in reviewing our financial results. The core profit presented herein is based on data derived from our accounting records under established financial controls and reporting frameworks, which form the basis of the audit or review scrutiny as part of our reporting accountants' standard procedures, and were verified by the reporting accountants. We believe that it provides more insights into the underlying profitability of our core business.

The use of the non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS financial measures may be defined differently from similar terms used by other companies. Furthermore, while our HKFRS financial statements have been audited or reviewed by our independent Reporting Accountants, the underlying data used for the non-HKFRS adjustment may not align with their eventual presentation in the HKFRS-compliant financial statements. It is important to note that these adjustments and underlying data inherently reflect our management's operational perspectives and accounting judgements consistently applied during the Track Record Period, which may diverge from strict HKFRS requirements or industry peers' reporting methodologies, even though these are reasonable for internal decision-making and reflect the underlying profitability of our core business. Investors should consider this distinction when evaluating our non-HKFRS measure presented in this Document.

The following table shows our core profit for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in millions)		
Profit for the year attributable to owners of the Company from continuing and discontinued operations	5,843	7,091	4,493
Adjusted for:			
Foreign exchange gains and losses	900	226	184
Changes in fair value of derivative financial instruments, financial assets at FVTPL and investment properties	(834)	1,172	98
Other impairment losses	85	1,709	355
Share-based payment expenses	73	20	11
Net (gain)/loss on disposal of non-current assets	–	(3,840)	2
Core profit attributable to owners of the Company	6,067	6,378	5,143

DIVIDENDS

In 2022, 2023 and 2024, dividends paid to owners of the Company amounted to RMB873 million, RMB1,577 million and RMB2,805 million, respectively.

After the [**REDACTED**] of the Privatization and with the improvement in the efficiency of capital use and operating capacity, our Company plans to maintain a continuous and stable dividend pay-out policy. In addition, subject to satisfaction of specified conditions for dividend distribution, our Company plans to make cash dividend for the next four years (2025-2028) as set out in the shareholder return plan (2025-2028). For details, see "Benefits of the [**REDACTED**] and the Privatization."

According to applicable laws in mainland China and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of losses from previous years (only when the statutory reserve fund is insufficient to cover the losses from previous years); allocations to the statutory reserve equivalent to 10% of our profit after tax (when the accumulated amount of the Company's statutory reserve fund exceeds 50% of its registered capital, no further allocation is required); allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders' general meeting. Except in circumstances where the Articles of Association stipulate that dividends may not be distributed, the annual cash dividends shall not be less than

10% of the distributable profits realized in that year, and the cumulative profits distributed in cash over the past three years shall not be less than 30% of the average annual distributable profits realized over the past three years. Meanwhile, the annual cash dividend ratio shall not be less than 30% of the core profits attributable to shareholders of our Company for each respective year.

DISTRIBUTABLE RESERVES

As of December 31, 2024, we had distributable reserves of approximately RMB4,435 million.

[**REDACTED**]

[**REDACTED**] represent primarily professional fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**], which are non-recurring in nature, will be approximately [**REDACTED**]. We expect to charge approximately [**REDACTED**] of the estimated [**REDACTED**] to profit or loss and to capitalize approximately [**REDACTED**] following the [**REDACTED**] of the [**REDACTED**]. We do not believe the estimated [**REDACTED**] are material or unusually high for our Group. The [**REDACTED**] above are the current estimate for reference only and the actual amount to be recognized is subject to adjustment based on audit and the then changes in variables and assumptions.

RISK FACTORS

There are certain risks involved in our operations, which are categorized into: (i) risks relating to our business and industry; (ii) risks relating to doing business in the jurisdictions where we operate; (iii) risks relating to the dual [**REDACTED**]; and (iv) risks relating to statements made in this Document. Our business may be materially and adversely affected by these risks, including the following:

- Our operations are extensively regulated, and future changes in laws or regulations or enforcement policies could adversely affect our business, financial condition and results of operations.

- If we fail to obtain or maintain the approvals, permits, licenses and certificates required for our operations, our business, financial condition and results of operations may be materially and adversely affected.

- The interruption of supply of natural gas or volatility of natural gas and crude oil prices may adversely affect our business and operations.

- Our sales of natural gas rely on concession rights granted by local governments, which will expire, or may be terminated early or not be renewed upon expiration, and may contain restrictions on our transfer of relevant interests.

- We are subject to price controls in certain markets and may not be able to pass through increased costs to end-customers.

- We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.

- Our suppliers of natural gas are highly concentrated, which may affect our ability to supply natural gas to our customers.

- We may be subject to risks of potential shortfall on committed take-or-pay volume if we fail to increase the number of connected residential households and C&I customers in the operating areas which are subject to take-or-pay obligations.

- We recorded net current liabilities during the Track Record Period, which may continue in the future and expose us to certain liquidity risks.

- We may not achieve the anticipated benefits of the Privatization and it may be difficult for potential investors to evaluate our prospects.

See "Risk Factors" for details.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

In early 2025, the US and China implemented reciprocal trade measures, including tariffs, affecting various sectors, such as renewable energy. As a result, natural gas price experienced volatility in the first half of 2025. In response to the uncertainties brought by the political and economic turbulance, and leveraging our abundant international natural gas resources, we are proactively optimizing our global supply chain to maintain long-term cost competitiveness, including for example, seeking alternative markets and re-designate natural gas sales destinations. Our natural gas supply remained stable for the first half of 2025.

Our Directors have confirmed that save as disclosed in the [**REDACTED**] Document, up to the date of this Document there has been no material adverse change in our business, financial condition and results of operations since December 31, 2024 (being the date of our latest audited financial statements) and there has been no event since December 31, 2024 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this Document.

OUR A SHARE LISTING AND REASONS FOR THE [REDACTED]

Our A Shares have been listed on Main Board of the Shanghai Stock Exchange since January 1994. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of any material non-compliance with the applicable rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to our compliance record on the Shanghai Stock Exchange that should be brought to the attention of the Hong Kong Stock Exchange or potential investors of the Company. Our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of any material non-compliance with the applicable rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations.

We seek to [**REDACTED**] our H Shares on the Hong Kong Stock Exchange in order to offer valuable and liquid consideration in the form of H Shares for the Privatization. The [**REDACTED**] of the [**REDACTED**] also allows our Company to, among others, achieve synergies between the upstream and downstream natural gas businesses operated by the Company and ENN Energy, improve operational efficiency and strengthen its capital market appeal. See "Benefits of the [**REDACTED**] and the Privatization" for details.

In this Document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in the section headed "Glossary of Technical Terms."

"2021 Restricted Share Incentive Scheme"	the restricted share incentive plan approved and adopted by our Company on March 26, 2021
"2025 Restricted Share Incentive Scheme"	the restricted share incentive plan approved and adopted by our Company on February 18, 2025
"3.5 Announcement"	the joint announcement issued by our Company, ENN Energy and the Offeror on March 26, 2025 regarding the Privatization Proposal
"A Share(s)" or "ENN-NG A Share(s)"	the A shares in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are listed and traded on the Shanghai Stock Exchange (stock code: 600803)
"A Shareholder(s)"	holder(s) of our A Share(s)
"Articles of Association" or "Articles"	the articles of association of our Company adopted on May 28, 2025 which shall become effective on the [**REDACTED**] (as amended from time to time), a summary of which is set out in Appendix V to this Document
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"C&I Customer(s)"	commercial & industrial customer(s)
"Cancellation Consideration"	the cancellation price for each Scheme Share, being the aggregate of ENN-NG H Share Consideration and Cash Consideration

"Cash Consideration"	the cancellation price of HK$24.50 in cash for each Scheme Share to be paid by the Offeror under the Privatization Proposal to the Scheme Shareholders whose names appear on the register of members of ENN Energy on the Scheme Record Date
"Cayman Companies Act"	the Companies Act (2025 Revision) of the Cayman Islands, as consolidated and revised from time to time

[**REDACTED**]

"China", "mainland China" or "PRC"	the People's Republic of China, excluding, for the purposes of this Document only, Taiwan, Hong Kong and Macau, except where the context indicates or requires otherwise
"CICC"	China International Capital Corporation Hong Kong Securities Limited, a Financial Advisor to ENN-NG and the Offeror with respect to the Privatization Proposal and the ENN Energy Share Option Offer, and the sole sponsor to ENN-NG with respect to the [**REDACTED**]. CICC is a licensed corporation under the SFO, licensed to conduct Types 1 (Dealing in Securities), 2 (Dealing in Futures Contracts), 4 (Advising on Securities), 5 (Advising on Futures Contracts) and 6 (Advising on Corporate Finance) of the regulated activities under the SFO
"Companies (Winding up and Miscellaneous Provisions) Ordinance"	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Company", "our Company" or "ENN-NG"	ENN Natural Gas Co., Ltd. (新奥天然氣股份有限公司), a joint stock company incorporated in the PRC with limited liability on December 29, 1992, the shares of which are currently listed on the Shanghai Stock Exchange (stock code: 600803)
"connected person(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Mr. WANG Yusuo, Ms. ZHAO Baoju, ENN Yingchuang, Langfang Natural Gas, ENN Capital, ENN Group Co, ENN Investment, ENN Xinzhi, ENN Technology, EGII, Langfang Heyuan and Hebei Weiyuan, details of which are set out in the section headed "Relationship with Controlling Shareholders"
"Court Meeting"	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment or postponement thereof
"Court Hearing"	the hearing of the petition by the Grand Court for the sanction of the Scheme
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Dongguan ENN"	Dongguan ENN Gas Co., Ltd. (東莞新奧燃氣有限公司), a company established under the laws of the PRC on June 30, 2003 and an indirect non-wholly owned subsidiary of the Company
"EGII"	ENN Group International Investment Limited, a company incorporated under the laws of the British Virgin Islands on July 18, 2000 and which is ultimately controlled by Mr. WANG Yusuo
"Enlarged ENN-NG Group"	ENN-NG Group together with the privatized ENN Energy

"ENN Capital"	ENN Capital Management Co., Ltd. (新奧資本管理有限公司), a company established under the laws of the PRC on September 8, 2007 and which is ultimately controlled by Mr. WANG Yusuo
"ENN China"	ENN (China) Gas Investment Limited (新奧(中國)燃氣投資有限公司), a company established under the laws of the PRC on January 8, 2004 and an indirect non-wholly owned subsidiary of the Company
"ENN Energy"	ENN Energy Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on July 20, 2000, the ordinary shares of which are currently listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2688)
"ENN Energy 2012 Share Option Scheme"	the share option scheme adopted by ENN Energy on June 26, 2012 and terminated on May 18, 2022
"ENN Energy 2022 Share Option Scheme"	the share option scheme adopted by ENN Energy on May 18, 2022 (as amended from time to time)
"ENN Energy Board"	the board of directors of ENN Energy
"ENN Energy Disinterested Shareholders"	ENN Energy Shareholders other than the Offeror and the Offeror Concert Parties and for the avoidance of doubt, the ENN Energy Share Award Trustee shall be considered as an ENN Energy Disinterested Shareholder
"ENN Energy Group"	ENN Energy and its subsidiaries
["ENN Energy Non-Qualifying Overseas Shareholders"]	[has the meaning ascribed to it in the section headed "[●]" in "Part [●] — [**REDACTED**]" of the Scheme Document]
"ENN Energy Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of ENN Energy
"ENN Energy Share Award(s)"	share award(s) granted by ENN Energy Board which remain outstanding under the ENN Energy Share Award Scheme
"ENN Energy Share Award Holder(s)"	holder(s) of the ENN Energy Share Award(s)

"ENN Energy Share Award Notional Gains"	any positive amount resulting from the fair value of each ENN Energy Share Award as determined by the ENN Energy Share Award Trustee on a particular date as specified by the ENN Energy Board less the ENN Energy Share Award Price
"ENN Energy Share Award Price"	the price of an ENN Energy Share Award granted by the ENN Energy Board to a selected employee as specified in the notice of grant of ENN Energy Share Award(s)
"ENN Energy Share Award Scheme"	the share award scheme adopted by ENN Energy on November 30, 2018
"ENN Energy Share Award Trust"	the trust constituted by the trust deed dated March 12, 2019, entered into between ENN Energy and the ENN Energy Share Award Trustee with respect to the ENN Energy Share Award Scheme, as amended from time to time, including pursuant to a deed of variation dated May 31, 2024 entered into between ENN Energy and the ENN Energy Share Award Trustee
"ENN Energy Share Award Trustee"	BOCI Trustee (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and the trustee appointed to hold the funds and properties (including ENN Energy Shares) under the ENN Energy Share Award Trust for the benefit of employees of ENN Energy Group pursuant to the ENN Energy Share Award Scheme
"ENN Energy Share Option(s)"	share option(s) granted by ENN Energy which remain outstanding under the ENN Energy 2012 Share Option Scheme and the ENN Energy 2022 Share Option Scheme
"ENN Energy Share Option Holder(s)"	holder(s) of the ENN Energy Share Option(s)
"ENN Energy Share Option Offer"	the pre-conditional offer to be made by or on behalf of the Offeror to the ENN Energy Share Option Holders

"ENN Energy Share Option Offer Record Date"	[**REDACTED**], or such other time and date as may be announced or notified to the ENN Energy Share Option Holders, being the record date for the purpose of determining the entitlements of the ENN Energy Share Option Holders under the ENN Energy Share Option Offer
"ENN Energy Shareholders"	registered holder(s) of ENN Energy Shares
"ENN Finance"	ENN Finance Company Limited (新奥財務有限責任公司), a company established under the laws of the PRC on April 14, 2011 and a subsidiary of the Company
"ENN Group Co"	ENN Group Co., Ltd. (新奥集團股份有限公司), a company established under the laws of the PRC on August 5, 1997 and which is ultimately controlled by Mr. WANG Yusuo
"ENN Investment"	ENN Investment Holdings Company Limited (新奥控股投資股份有限公司), a company established under the laws of the PRC on January 13, 2000 and which is ultimately controlled by Mr. WANG Yusuo
"ENN Technology"	ENN Technology Development Co., Ltd. (新奥科技發展有限公司), a company established under the laws of the PRC on August 2, 2006 and which is ultimately controlled by Mr. WANG Yusuo
"ENN Tianjin"	ENN (Tianjin) Energy Investment Co., Ltd. (新奥(天津)能源投資有限公司), a company established under the laws of the PRC on September 29, 2019 and a wholly-owned subsidiary of the Company
"ENN Xinzhi"	ENN Xinzhi Technology Co., Ltd. (新奥新智科技有限公司), a company established under the laws of the PRC on June 18, 2020 and which is ultimately controlled by Mr. WANG Yusuo
"ENN Yingchuang"	ENN Yingchuang Technology Co., Ltd. (新奥贏創科技有限公司), a company established under the laws of the PRC on July 23, 2021 and which is ultimately controlled by Mr. WANG Yusuo

"ENN Zhoushan"	ENN (Zhoushan) LNG Co., Ltd. (新奥(舟山)液化天然氣有限公司), a company established under the laws of the PRC on May 15, 2013 and an indirect non-wholly owned subsidiary of the Company
"ENN-NG H Share Consideration"	[**REDACTED**] new ENN-NG H Shares to be [**REDACTED**] by ENN-NG for every Scheme Share cancelled under the Scheme
"Executive"	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
"Form of Acceptance"	the form of acceptance despatched to the ENN Energy Share Option Holders in connection with the ENN Energy Share Option Offer
"Grand Court"	the Grand Court of the Cayman Islands
"Group", "our Group", "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Guangdong Panhong"	Guangdong Panhong Technology Co., Ltd. (廣東磐宏科技有限公司), formerly known as Guangdong Kaihong Technology Co., Ltd. (廣東凱鴻科技有限公司)

[**REDACTED**]

"H Share(s)" or "ENN-NG H Share(s)"	overseas [**REDACTED**] foreign shares in the share capital of our Company with a nominal value of RMB1.00 each, which are to be issued and traded in HK dollars and are to be [**REDACTED**] on the Hong Kong Stock Exchange
"Haomaiqi"	Haomaiqi E-Commerce Co., Ltd. (好買氣電子商務有限公司), a company established under the laws of the PRC on May 26, 2015 and an indirect non-wholly owned subsidiary of the Company
"Hebei Weiyuan"	Hebei Weiyuan Group Co., Ltd. (河北威遠集團有限公司), a company established under the laws of the PRC on November 23, 1998 and which is ultimately controlled by Mr. WANG Yusuo

"HKD", "HK$" or "HK dollars"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards, as issued by the Hong Kong Institute of Certified Public Accountants
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Hong Kong Stock Exchange" or "Stock Exchange"	the Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Huangchang Gas Storage Facility"	the Huangchang gas storage facility (黃場儲氣庫) in Qianjiang, Hubei
"Independent Third Party(ies)"	person(s) or company(ies), who/which, to the best of our Directors' knowledge, information and belief, is/are not our connected person(s)

[**REDACTED**]

"Jintan Gas Storage Facility"	the Jintan gas storage facility (金壇儲氣庫) in Changzhou, Jiangsu

"Langfang Heyuan"	Langfang Heyuan Investment Centre (Limited Partnership) (廊坊合源投資中心(有限合夥)), a company established under the laws of the PRC on December 2, 2011 and which is ultimately controlled by Mr. WANG Yusuo
"Langfang Natural Gas"	Langfang City Natural Gas Company Limited (廊坊市天然氣有限公司), a company established under the laws of the PRC on December 5, 1992 and which is ultimately controlled by Mr. WANG Yusuo
"Latest Practicable Date"	June 9, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[**REDACTED**]

"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Meeting Record Date"	[**REDACTED**], or such other date as may be announced to the ENN Energy Shareholders, being the record date for the purpose of determining the entitlements of the ENN Energy Disinterested Shareholders to attend and vote at the Court Meeting and the entitlements of the ENN Energy Shareholders to attend and vote at the EGM

"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"Ministry of Transport"	the Ministry of Transport of the PRC (中華人民共和國交通運輸部)
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOHURD"	the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部)
"National Energy Administration" or "NEA"	the National Energy Administration of the PRC (中華人民共和國國家能源局)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"Offeror"	Xinneng (Hong Kong) Energy Investment Limited (新能(香港)能源投資有限公司), a company incorporated with limited liability under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company
"Offeror Concert Parties"	parties acting in concert or presumed to be acting in concert with the Offeror or ENN-NG with respect to ENN Energy under the Takeovers Code
"Overseas Listing Trial Measures"	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》)
"PipeChina"	National Petroleum and Natural Gas Pipeline Network Group Co., Ltd. (國家石油天然氣管網集團有限公司), a company established in December 6, 2019 in the PRC with limited liability, and/or its subsidiaries
"PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"PRC GAAP"	generally accepted accounting principles of PRC

"PRC Pricing Law"	the Pricing Law of the PRC promulgated by the Standing Committee of National People's Congress on December 29, 1997, effective from May 1, 1998
"Privatization"	the privatization of ENN Energy by the Offeror by way of the Scheme and the withdrawal of the listing of the ENN Energy Shares from the Stock Exchange
"Privatization Proposal"	the proposal for the Privatization
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"Scheme"	a scheme of arrangement under Section 86 of the Cayman Companies Act involving the cancellation of all the Scheme Shares and the simultaneous maintenance of the issued share capital of ENN Energy at the amount immediately prior to the cancellation of the Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Grand Court or agreed between ENN Energy and the Offeror
"Scheme Document"	the composite scheme document of ENN Energy, ENN-NG and the Offeror containing, among other things, further details of the Privatization Proposal
"Scheme Effective Date"	the date on which the Scheme becomes effective in accordance with its terms and conditions and the Cayman Companies Act
"Scheme Long Stop Date"	March 13, 2026 or such other date as ENN Energy, ENN-NG and the Offeror may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive

"Scheme Record Date"	[**REDACTED**], or such other date as may be announced to the ENN Energy Shareholders, being the record date for the purposes of determining the entitlement of the Scheme Shareholders to the Cancellation Consideration under the Scheme
"Scheme Share(s)"	all of the ENN Energy Share(s) in issue and such further ENN Energy Shares as may be issued prior to the Scheme Record Date, other than those held by the Offeror
"Scheme Shareholder(s)"	registered holder(s) of Scheme Shares
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)" or "ENN-NG Share(s)"	A Share(s) and H Share(s) of our Company
"Share Component Ratio"	[**REDACTED**], being the ENN-NG H Shares Consideration Theoretical Value (as defined in the 3.5 Announcement) divided by the Cancellation Consideration Theoretical Value (as defined in the 3.5 Announcement)
"Share Exchange Ratio"	the exchange ratio of [**REDACTED**] new ENN-NG H Shares for every Scheme Share cancelled under the Scheme
"Shareholder(s)"	holder(s) of the Share(s)
"SOE(s)"	state-owned enterprises in China
"Sole Sponsor"	China International Capital Corporation Hong Kong Securities Limited
"SSE"	the Shanghai Stock Exchange (上海證券交易所)
"SSE Listing Rules"	Listing Rules of the Shanghai Stock Exchange (上海證券交易所股票上市規則)
"Strategy and ESG Committee"	the strategy and environmental, social and governance committee of the Board

"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Takeovers Code"	the Code on Takeovers and Mergers of Hong Kong
"Three Major Oil Companies"	generally refer to the three largest state-owned oil and gas companies, namely, China National Petroleum Corporation and its subsidiaries, China Petrochemical Corporation and its subsidiaries, and China National Offshore Oil Corporation and its subsidiaries, in the context of China's energy sector
"Track Record Period"	the years ended December 31, 2022, 2023 and 2024
"U.S.", "US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"USD", "US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax
"Wangjiata Coal Mine"	the Wangjiata coal mine (王家塔煤礦), which was disposed by us to Guangdong Panhong as part of the Xinneng Mining Disposal
"Wen 23 Gas Storage Facility"	the Wen 23 Gas Storage Facility (文23儲氣庫) in Puyang (濮陽), Henan
"Wen 96 Gas Storage Facility"	the Wen 96 Gas Storage Facility (文96儲氣庫) in Puyang (濮陽), Henan
"Xindi Energy"	Xindi Energy Engineering Technology Co., Ltd. (新地能源工程技術有限公司), a company established under the laws of the PRC on April 7, 1999 and an indirect wholly-owned subsidiary of the Company
"Xinneng Mining"	Xinneng Mining Co., Ltd. (新能礦業有限公司) (currently known as Inner Mongolia Xinneng Mining Co., Ltd. (內蒙古鑫能礦業有限公司)), a company established under the laws of the PRC on May 7, 2008

"Xinneng Mining Disposal"	the disposal by the Company of the entire equity interest in Xinneng Mining to Guangdong Panhong in 2023, further details of which are set out in the section headed "History and Corporate Structure – Major Acquisitions, Disposals and Mergers – Xinneng Mining Disposal"
"Yangtze River Delta"	one of China's premier economic region, encompassing Shanghai, Jiangsu, Zhejiang and Anhui provinces
"Zhoushan Acquisition"	the acquisition by the Company of 90% shareholding of ENN Zhoushan in 2022, further details of which are set out in the section headed "History and Corporate Structure – Major Acquisitions, Disposals and Mergers – Zhoushan Acquisition"
"Zhoushan LNG Receiving Terminal"	Zhoushan LNG receiving terminal that is owned by ENN Zhoushan. See "History and Corporate Structure — Major Acquisitions, Disposals and Mergers — Zhoushan Acquisition" and "Business — Our Business — Natural Gas Sales Business — Midstream Processing, Storage and Transmission" for more details
"%"	per cent

In this Document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "controlling shareholder" and "substantial shareholder" shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

Unless expressly stated otherwise, our operational data in this Document is presented on a consolidated basis, reflecting only entities consolidated in our Group's consolidated financial statements. However, ENN Energy has historically disclosed its operational data in its public announcements on a broader scope, encompassing its associates and joint ventures. As a result, operational data disclosed in this Document and in ENN Energy's prior public announcements may be inconsistent.

For ease of reference, the names of the PRC established companies or entities, laws, regulations, governmental authorities, institutions or natural persons have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

This glossary of technical terms contains explanations of certain technical terms used in this Document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"AI"	artificial intelligence
"benchmark gate price"	the benchmark price determined by the NDRC, on which the price for wholesale of PNG from upstream suppliers to gas distributors is based
"BOG"	boil-off gas
"Brent"	the Brent crude oil price, a benchmark price for crude oil traded on the Intercontinental Exchange
"CAGR"	compound annual growth rate
"CBM"	coalbed methane, a form of natural gas extracted from coal beds
"CCUS"	carbon capture, utilization, and storage, a suite of technologies that aims to mitigate CO_2 emissions from various sources, such as power plants and industrial facilities, either by preventing their release into the atmosphere or by capturing existing CO_2 and either storing it or using it for various purposes
"city gateway station"	a station that receives natural gas transmitted from upstream distribution stations generally through long-distance transmission pipelines and distribute natural gas into urban pipeline network, with functions including quantification, filtering, pressure regulation and odorizing
"CNG"	compressed natural gas, refers to natural gas that has been compressed to a high density through high pressure
"coal-water slurry"	a mixture of fine coal particles suspended in water
"CO"	carbon monoxide, a colorless, odorless, tasteless, flammable gas that is slightly less dense than air

"CO_2"	carbon dioxide, a colorless, odorless and non-poisonous gas formed by combustion of carbon and in the respiration of living organisms and is considered a greenhouse gas
"COG"	coke oven gas, a by-product of the coking process used in steel production, resulting from heating coal without air to produce coke
"DAP"	delivered at place, an Incoterm stipulating the seller is responsible for delivery of the goods, ready for unloading, at an agreed-upon destination
"DES"	delivered ex-ship, an Incoterm stipulating the seller is responsible for delivering goods to a buyer at a certain port of arrival
"direct GHG emissions"	greenhouse gas emissions that occur from sources that are owned or controlled by an organization, company or individual
"distributed photovoltaic"	a type of distributed energy resource which converts the sun's rays to electricity, and includes all grid-connected solar that is not centrally controlled
"engineering, procurement and construction" or "EPC"	engineering, procurement and construction, a common form of contracting arrangement whereby the contractor is commissioned by the customer to carry out works, such as design, procurement, construction and trial operations, either through the contractor's own employees or by subcontracting part or all of the works
"EPCM"	engineering, procurement, construction and management, by which we undertake, a form of contracting arrangement where the contractor will design and install the equipment, procure and install the necessary materials, and be responsible of managing the process of the installation engineering, procurement and construction management of a project
"ETMO system"	Energy Trading Middle Office system, a core energy trading risk management system developed by us. See "Business — Our Digital Intelligence Capabilities — ETMO Risk Management System" for more details

"feed gas"	also known as raw gas or feedstock gas, is a form of dry natural gas that is used as raw material for LNG, petrochemicals, and gas-to-liquids plants
"FOB"	free on board, an Incoterm stipulating seller must load the goods on board of the vessel nominated by buyer
"gas"	a form of gaseous fuel, which generally includes natural gas, liquefied petroleum gas and other fuel gases. Unless specified or the context requires otherwise, references to "gas" in this Document are to natural gas
"GDP"	gross domestic product, a monetary measure of the market value of all the final goods produced and sold and services provided in a specific time period by a country or countries
"GHG"	greenhouse gas, which exists in the Earth's atmosphere that trap heat, contributing to the greenhouse effect and global warming
"H_2"	a colorless, odorless, and highly flammable gas
"H_2S"	hydrogen sulfide, a colorless gas with a distinct rotten egg odor
"Henry Hub"	a crucial trading hub and the designated delivery point for the New York Mercantile Exchange natural gas futures contract, and physical natural gas and financial derivatives. Its price is widely used as a primary benchmark for the U.S. natural gas industry
"Incoterm"	the international commercial term(s) published by the International Chamber of Commerce and as amended from time to time
"IoT"	internet of things, a system of interconnected computing devices, mechanical and digital machines provided with unique identifiers and the ability to transfer data over a network and to realize intelligent identification, positioning, tracking, monitoring and management

"JCC"	Japan Crude Cocktail, the average price of customs-cleared crude oil imports into Japan, which is primarily used as a benchmark for oil-indexed natural gas and LNG contract prices
"JKM"	Japan Korea Marker, a spot price index for LNG trading and a widely referenced benchmark for LNG pricing
"km"	kilometer(s)
"km^2"	square kilometer(s)
"kV"	a unit of power, 1kV equals to 1,000 volts
"kW"	a unit of power, 1 kW equals to 1,000 watts
"kWh"	kilowatt-hours, a unit of power, 1 kWh equals to 1,000 Wh
"LNG"	liquefied natural gas, which is natural gas (predominantly methane) that has been cooled down to liquid form
"LNG receiving terminal"	a specialized pier-like structure, which extends from the shore into the water and serves as a platform for transmitting LNG between vessels and onshore facilities
"m^3"	cubic meter(s)
"Mpa"	megapascal pressure unit, 1Mpa equals to 1,000,000pa
"MWh"	megawatt-hours, a unit of power, 1 MWh equals to 1 million Wh
"natural gas"	a form of fuel gas whose primary component is methane
"natural gasoline" (穩定輕烴)	a liquid hydrocarbon product extracted or chemically produced from natural gas condensate or crude oil, consisting predominantly of pentanes and heavier hydrocarbons, with a final boiling point not exceeding 190 °C and, under specified vapor-pressure conditions, may contain small amounts of butane

"nickel-based catalysts"	a kind of catalyst widely used in various industrial processes, particularly in hydrogenation reactions and for hydrogen production
"nitrogen oxides" or "NOx"	nitrogen oxides, or NOx, a generic term for the nitrogen oxides that are most relevant for air pollution, namely nitric oxide (NO) and nitrogen dioxide (NO_2). These gases contribute to the formation of smog and acid rain, as well as affecting tropospheric ozone
"operating areas"	our operating areas under the concession rights granted by relevant governments in the PRC. See "Business — Our Business — Natural Gas Sales Business — Retail of Gas — Concession Rights" for more details
"PNG"	pipeline natural gas, natural gas transmitted through pipelines
"primary energy"	refers to energy sources found in nature that have not undergone any human-engineered conversion or transformation. Natural gas is one of the primary energy sources
"pulverized coal hydropyrolysis"	a technology that uses high-pressure hydrogen to pyrolyze (break down) pulverized coal into various products, including synthetic gas, light oil, and clean char
"shale gas"	a form of natural gas, primarily methane, found trapped within shale rock formations
"SNG"	a fuel gas (predominantly methane, CH_4) that can be produced from fossil fuels such as coal, oil shale, or from biofuels or using electricity with power-to-gas systems
"SO_2"	sulfur dioxide
"m^2"	square meter(s)
"syngas"	a mixture of hydrogen (H_2) and carbon monoxide (CO), which is an important feedstock for the chemical and energy industries

"tCO_2e"	tons of carbon dioxide equivalent, a standard unit of measurement used to compare the emissions of different greenhouse gases based on their global warming potential
"ton(s)"	a unit of weight, one ton equals to 1,000 kilograms
"truck loading skid"	skid-mounted, modular loading facility at an LNG receiving terminal, usually comprising the structural skid base, process piping, valves, flow-metering and batching equipment, pumps and vaporizers (where applicable), loading arms for tanker connection, and the associated instrumentation, safety interlocks and control system
"TTF"	Title Transfer Facility, a virtual trading point for natural gas in the Netherlands serving as a primary benchmark for European gas prices
"water dew point"	the temperature at which air, at a given pressure, becomes saturated with moisture

This Document includes forward-looking statements. All statements other than statements of historical facts contained in this Document, including, without limitation, those regarding our future financial position, our strategies, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- our business strategies and plans to achieve these strategies;
- our future business development, financial conditions and results of operations;
- our future debt levels and capital needs;
- our ability to expand and manage our growth;
- changes to the political and regulatory environment in the industry and markets in which we operate;
- our expectations regarding our relationships with customers, business partners, suppliers and other partners;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and markets in which we operate;
- general economic, political and business conditions in the markets in which we operate;
- demand for natural gas over alternative fuels;
- our dividend policy;

- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends; and

- various business opportunities that we may pursue.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under the section headed "Risk Factors" and elsewhere in this Document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as at the date of this Document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Document might not occur. All forward-looking statements contained in this Document are qualified by reference to the cautionary statements set out in this section.

You should carefully consider all of the information in this Document, including the following risk factors before making any investment decision in relation to the H Shares. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The market price of the H Shares could fall significantly due to any of these risks, and you may lose all or part of your investment.

We believe that there are certain risks involved in our operations, many of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry; (ii) risks relating to doing business in the jurisdictions where we operate; (iii) risks relating to the dual [**REDACTED**]; and (iv) risks relating to statements made in this Document. Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition and operating results. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our operations are extensively regulated, and future changes in laws or regulations or enforcement policies could adversely affect our business, financial condition and results of operations.

Our operations are subject to extensive regulation. Central governmental authorities, as well as provincial and local authorities and agencies, regulate various aspects of the natural gas and engineering industries, including, among others, the following aspects:

- granting of gas operation licenses and concession rights;
- pricing of natural gas;
- environmental, safety and health standards;
- export rights and VAT rebates;
- adoption of temporary measures to limit increases in natural gas prices;
- regulation of tariffs; and
- taxes, duties and fees.

We are unable to predict future changes in laws, regulations or enforcement policies that may affect our business or operations or to estimate the ultimate cost of compliance with such laws, regulations or enforcement policies, and changes in laws, regulations or enforcement policies will be beyond our control. We may be adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations. Change in existing laws and regulations relating to the natural gas and energy related industry in the jurisdictions where we operate or their interpretation that may affect our business or operations could require us to incur additional compliance costs or costly and time-consuming changes to our operations, either of which could adversely affect our business, operating results and financial condition. See "Regulatory Overview" in this Document for details of such laws and regulations.

If we fail to obtain or maintain the approvals, permits, licenses and certificates required for our operations, our business, financial condition and results of operations may be materially and adversely affected.

We are required to obtain appropriate licenses, certificates and permits from relevant regulatory authorities for our operations and any failure to obtain may result in penalties, fines, being ordered to cease production, governmental sanctions and other legal proceedings. For example, we are required to obtain gas operation licenses and hazardous chemicals operation licenses which are subject to periodic review. We also hold a number of qualifications in engineering design and construction. To maintain our engineering qualifications and licenses, we must comply with certain restrictions and conditions imposed by various levels of government.

The relevant regulatory authorities will carry out regular inspections to ascertain our compliance with applicable laws and regulations. If we fail to comply with any of the conditions required for obtaining and maintaining these qualifications, our qualifications and licenses could be canceled or revoked, or the renewal of our licenses, upon expiry of their original terms, may be delayed, which could directly and adversely impact our business operations.

In addition, there is no assurance that we will be able to renew such licenses, certificates and permits upon their expiration. The eligibility criteria for these licenses, certificates and permits may change from time to time and additional licenses, certificates and permits may be required and higher compliance standards may have to be observed. In the event of the introduction of any new law or regulation, or change in the interpretation of any existing law or regulation that may increase compliance costs for us or make it more expensive for us to continue operating any part of our business, financial condition and results of operations may be adversely affected. See also "— Our operations are extensively regulated, and future changes in laws or regulations or enforcement policies could adversely affect our business, financial condition and results of operations."

The interruption of supply of natural gas or volatility of natural gas and crude oil prices may adversely affect our business and operations.

A majority of our revenue was derived from our sales of natural gas business. As a result, our operations are vulnerable to changes in the supply and price of natural gas. We cannot assure you that we will not face temporary shortage of natural gas due to reasons beyond our control, such as disruption of natural gas supply of our upstream suppliers or the occurrence of any adverse political and economic conditions in natural gas exporting countries, resulting in the significant fluctuation of natural gas supply in the market. If we are unable to source sufficient amount of natural gas from alternative suppliers on commercially acceptable terms, or at all, our business, financial condition and operating result would be materially and adversely affected.

In addition, we are subject to volatility of crude oil prices and overseas LNG prices. Fluctuations of crude oil prices would affect the importing of LNG into the PRC, the long-term price of which are tied to crude oil prices. Prices for crude oil may fluctuate widely in response to the supply and demand for oil, market uncertainty resulting from, among others, geopolitical tensions and various other factors that are beyond our control. Such factors include overall economic conditions, consumer demand for crude oil, political developments, the ability of petroleum producing nations to set and maintain production levels and prices, the price and availability of other energy sources, geopolitical tensions, domestic and foreign government regulations and weather conditions. On the other hand, spot LNG prices in the PRC may respond to changes in key overseas LNG price benchmarks, such as the Japan-Korea-Marker (JKM) price. Similar to crude oil prices, such price benchmarks may fluctuate widely due to changes in the demand for LNG, global economic condition, and political developments.

We have also taken measures, including conducting hedging activities, to mitigate the impact of fluctuation in prices of key raw materials. Such measures also include certain inherent risks. See "— We engage in, and plan to continue to engage in, hedging transactions, which expose us to certain risks."

Our sales of natural gas rely on concession rights granted by local governments, which will expire, or may be terminated early or not be renewed upon expiration, and may contain restrictions on our transfer of relevant interests.

The concession rights we obtained for our retail of gas normally last for 10 to 30 years. As of December 31, 2024, we have obtained 250 concession rights for our retail of gas, including 239 concession rights based on the relevant concession agreements with local Chinese governments and 11 concession rights obtained according to the relevant governmental approvals, notifications and/or authorization certificates. Such concession rights are subject to regulatory controls. For example, our transfer of interests in the concession rights are subject to the approval of relevant government authorities.

Cancellation or early termination of any such concessions or imposition of restrictive regulatory controls or failure to renew any concession upon its expiration or failure to obtain any concession right, if at all, may interrupt the operations of such projects which may have a material adverse effect on the financial condition and results of operations of such projects.

We are subject to price controls in certain markets and may not be able to pass through increased costs to end-customers.

According to the PRC Pricing Law, the PRC government may direct, guide or determine the prices of public utilities. Therefore, we may be subject to price controls or guidance in various aspects in our natural gas sales and natural gas operation, including for example, the pricing of retail of gas. See "Regulatory Overview — PRC Laws and Regulations Relating to Pricing of Natural Gas" and "Business — Our Business — Natural Gas Sales Business — Pricing and Payment of Natural Gas Sales."

In recent years, the PRC government has been progressively moving natural gas pricing towards a market-based mechanism so as to encourage more upstream gas supply from domestic and overseas imported sources. We mainly procure natural gas from domestic upstream gas suppliers, and the procurement price tends to be market-based, but the sales price to certain end-customers is still subject to government control.

Some PRC local governments have introduced mechanisms to link up the upstream and downstream prices of natural gas, but some areas have yet to formally introduce price linkage mechanisms. Although the price linkage mechanism has been introduced by some PRC local governments, as there is generally a time gap between the increase in our procurement cost and the increase in our selling prices charged to end-customers, any increase in our procurement cost may affect our profit margin before any adjustment to the selling prices can be made. As a result, our financial condition and results of operations may be adversely affected.

We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.

Our operations are subject to deterioration in the political and economic relations among countries, and sanctions and trade policies administered by government authorities in the countries in which we operate or from which we procure natural gas, and other geopolitical challenges, including but not limited to, economic and labor conditions, increased custom duties, tariffs, taxes and other costs and political instability.

We import a portion of natural gas from overseas suppliers. Political instability in foreign countries that we import natural gas from, or strained relations between such foreign countries and our home country, may impede our ability to import natural gas from such countries or continue to import natural gas at favorable prices. As of the Latest Practicable Date, we had entered into nine long-term purchase contracts featuring take-or-pay obligations with our major overseas suppliers, according to which we, as natural gas buyer, commit to pay for an annual minimum contracted gas volume, regardless of the actual natural gas procurement volume. Therefore, any change in international trade policies, including but not limited to increase in tariffs, could affect our business, financial condition and results of operations.

Furthermore, the industry in which we operate is susceptible to geopolitical tensions and volatile global economic conditions. In 2022, the Russia-Ukraine conflict drove up the price of international crude oil, which led to an increase in the international natural gas price, as well as the corresponding cost of importing natural gas, posing negative impacts on the profitability of the operators in the PRC natural gas industry in general. Although we have taken proactive measures to cope with the rising natural gas prices and fluctuations in demands of natural gas resulting from the Russia-Ukraine conflict, there is no guarantee that any future occurrence of geopolitical tensions will not have a material and adverse effect on our business, financial condition and results of operations.

Our suppliers of natural gas are highly concentrated, which may affect our ability to supply natural gas to our customers.

We currently purchase a substantial portion of our natural gas from oil and gas exploration and production companies, primarily the Three Major Oil Companies, pursuant to relevant natural gas purchase and sales agreements. While we have entered into take-or-pay or other long-term gas purchase contracts to secure long-term natural gas supply for certain of our projects, some of our other projects do not have similar arrangements. Therefore, we cannot assure you that we will be able to continue to purchase natural gas from suppliers on similar terms or on terms otherwise acceptable to us, in which case our business and profitability may be adversely affected. In addition, we cannot assure you that unforeseen events will not prevent the timely delivery of, or affect the quality of, natural gas supplied by our suppliers. We obtain natural gas directly from suppliers via pipelines. In the event of an unforeseen disruption to natural gas pipeline supplies, whether due to accidents, commercial reasons, technical difficulties, natural disasters, war or terrorism, we may be unable to obtain an immediately available supply of natural gas for our customers. If the required natural gas cannot be purchased as scheduled or on terms acceptable to us, our sale of natural gas business, financial condition and results of operations may be adversely affected.

We may be subject to risks of potential shortfall on committed take-or-pay volume if we fail to increase the number of connected residential households and C&I customers in the operating areas which are subject to take-or-pay obligations.

We enter into long-term take-or-pay contracts for our natural gas sales business and infrastructure operations. We are obliged to make "take-or-pay" payment to suppliers for the quantity contracted but not delivered. We may be subject to risks of potential shortfall on committed take-or-pay volume. If we are not able to increase the number of connected residential households and C&I customers in our operating areas that are subject to take-or-pay obligations, or even the number of connected residential households and C&I customers in our operating areas decrease, we may suffer losses.

We recorded net current liabilities during the Track Record Period, which may continue in the future and expose us to certain liquidity risks.

We recorded net current liabilities during the Track Record Period. Our net current liabilities amounted to RMB10,555 million, RMB3,318 million, RMB7,444 million and RMB5,746 million as of December 31, 2022, 2023 and 2024 and April 30, 2025, respectively. The net current liabilities positions as of December 31, 2022, 2023 and 2024 and April 30, 2025 were primarily due to significant amounts of contract liabilities which we receive from customers to secure our continuous gas supply and services and are expected to be recognized as revenue as the performance obligation is satisfied. A net current liabilities position can expose us to the risk of shortfalls in liquidity, in which case our ability to raise funds, obtain bank loans and declare and pay dividends will be materially and adversely affected. If we do not generate sufficient cash flow from our operations to meet our present and future liquidity needs, we may need to rely on additional external borrowings for funding. If we resort to other financing activities, we will incur additional financing costs, and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may not achieve the anticipated benefits of the Privatization and it may be difficult for potential investors to evaluate our prospects.

Our Directors believe that, after the [**REDACTED**] of the Privatization and [**REDACTED**], the Enlarged ENN-NG Group represents an attractive [**REDACTED**] opportunity for the Scheme Shareholders. Other than the [**REDACTED**] benefits, we also expect that the Privatization will bring business synergy, improvement in operational efficiency and risk resistance capability to the Enlarged ENN-NG Group. However, there is no guarantee that we can achieve the anticipated benefits and it may be difficult for potential investors to evaluate our prospects.

Our business development and investment plans have significant capital expenditure and financing requirements, which are subject to a number of risks and uncertainties.

We incurred significant expenditure during the Track Record Period in connection with expansion of natural gas infrastructures, development of integrated energy solutions projects and enhancement of our market position through acquisitions. We may continue to incur additional capital expenditures in the future. In the event of adverse market conditions, or if our actual expenditures significantly exceed our planned expenditures, our external financing activities combined with our internal sources of liquidity may not be sufficient to implement our current and future operational plans. To the extent that our existing sources of capital are not sufficient to satisfy our needs, we may have to seek external sources, including through the issuance of additional equity or debt securities in the domestic or international capital markets or additional bank borrowings. Our ability to obtain additional capital from external sources in the future is subject to a variety of uncertainties, including:

- the liquidity and volatility of the China's and international capital markets;

- government policies regarding borrowings, whether in domestic currency or foreign currency;
- our future financial condition, results of operations and cash flows;
- our ability to obtain the necessary regulatory approvals on a timely basis;
- any tightening of credit markets and general market conditions for debt and equity raising activities by financial institutions;
- foreign exchange controls; and
- economic, political and social conditions in the geographical markets in which we operate and elsewhere.

There is no assurance that we will be able to obtain additional capital in a timely manner or on acceptable terms, if at all. The failure to obtain sufficient financing on commercially reasonable terms could delay or derail our ability to pursue our business strategy, which could adversely affect our business, financial condition and results of operations.

Our operations and productions are exposed to inherent risks and occupational hazards, which could lead to substantial costs, damage to our reputation and loss of future business.

Our operations and the manufacturing of our products involves complex, precise and often dangerous processes, requiring production in tightly controlled environments. For example, natural gas pipelines, if damaged or improperly maintained, may rupture or cause leakage, and any explosion or combustion resulting from the leakage may cause death or serious injuries. Certain natural gas pipelines near populated areas, including residential areas, commercial business centers, industrial sites and other public gathering places, could increase the level of damage resulting from these risks, including the loss of human life, significant damage to property, environmental damage, impairment of our operations, which may lead to substantial losses to us. In addition, the production of our chemical products, involves the use of volatile or flammable raw materials and intermediate products. The storage of such materials and products near our production facilities and the handling and transportation of these materials and products in the production process pose inherent risks. Construction sites of our engineering projects are potentially dangerous workplaces that are in close proximity with heavy duty construction machinery and equipment, moving motor vehicles, highly regulated and volatile materials, and chemical processes.

As a result, our operations and productions are subject to various inherent risks and occupational hazards. An accident could materially disrupt our manufacturing operations and could lead to death or personal injuries. Any such accident may subject us to adverse publicity and damage to our brand name and reputation. Certain inherently dangerous activities undertaken in the course of our operations expose us to a number of additional risks, including the risk of fire, explosion, leakage, release of toxic fumes or other unexpected or hazardous conditions causing personal injuries or death, property damage, environmental damage or interruption of operations. Any damage to persons, equipment or property or other disruption of our ability to produce or distribute our products could result in a decrease in operating results and significant additional cost to replace or repair the relevant assets, which could materially and adversely affect our business, financial condition and results of operations. See "— Our insurance coverage may be insufficient to cover all associated risks of loss."

The performance, quality and safety of our engineering construction and installation services depends on the effectiveness of our quality control system.

The performance, quality and safety of our engineering construction and installation services are critical to our customers, our reputation and, ultimately, our success. Accordingly, we have established and maintained quality control procedures, including inspection and testing of products purchased from our suppliers such as equipment, parts and components. The effectiveness of our quality control system is determined by various factors, including, implementation of quality standards, effectiveness of training programs, our employees' compliance with our quality control policies and guidelines, and is especially dependent upon our ability to supervise and manage the project construction and operation. Failure to maintain an effective quality control system may result in defective projects that could cause us to incur substantial costs and to face contractual claims or litigations. Such risk exposure could undermine our reputation and relationships with our customers, thereby materially and adversely affecting our business.

If we are unable to accurately estimate the overall costs or revenues of our projects, we may gain lower than anticipated profits or even incur losses on our contracts.

We cannot assure you that we are able to accurately estimate the overall costs or revenues of our projects. Costs of projects may increase due to a number of factors, such increase in the costs to procure raw material or skilled personnel. It is therefore difficult for us to accurately estimate the profits we may derive from our projects. Moreover, when we set prices for our services, we have to consider how competitors have set prices for the same or similar projects. When our competitors cut prices or offer additional benefits to compete with us, we may have to lower our own prices accordingly or offer matching benefits. Such price competition may further lower our profit margin. Although we have spent great efforts in cost control and have adopted differentiated pricing strategies for different types of projects, there can be no assurance that these pricing strategies will effectively help us control costs and maintain profit margin.

Moreover, certain of our energy engineering contracts are either fixed-price or fixed unit price in nature. Terms of these contracts require us to complete a project at a fixed price or a fixed unit price and therefore expose us to cost overruns. Cost overruns, whether due to inefficiency, inaccurate estimates or other factors, may result in a lower profit or a loss on a project. As a result, we will only achieve profits on these contracts if we could accurately estimate our project costs and avoid cost overruns. Despite any buffer we may have built into our bids for increases in labor and materials costs, unforeseen factors, such as changes in construction conditions, variations in labors and equipment productivity during the term of a contract and unexpected increases in costs of materials may cause the revenue and gross profit realized or incurred from a fixed-price or fixed unit price contract to be lower than our originally estimated amounts.

Our customers may make claims against us and/or terminate our services in whole or in part prematurely should we fail to implement projects on time or fully satisfy their agreement provisions or requirements.

We cannot assure you that the development of our construction and installation projects under uncompleted contracts will not be delayed or that these projects will meet all the requirements under the relevant agreements. A project can be delayed for a number of reasons, including those relating to market conditions, policies and regulations, availability of funding, disputes with business partners, technology and equipment suppliers and other contractors, employees, local governments and communities, natural disasters, power and other energy supplies, and availability of technical or human resources. Some of these factors are beyond our control. Failure to implement or complete projects to the satisfaction of our customers or failure to comply with relevant governmental policies and standards, or defective systems may lead to claims against us and/or termination of our services in whole or in part prematurely. This may arise from unsatisfactory design or workmanship, staff turnover, human errors, untimely delivery of services, default by our subcontractors, misinterpretation of and failure to comply with regulations and procedures. Any claim brought by our customers against us or termination of our services may adversely affect our reputation and business operation, which may in turn affect our financial condition and profitability.

Our value-added business may be subject to product liability claims which may adversely affect our business, financial condition and results of operations.

In line with industry practice, we currently do not maintain any product liabilities insurance to cover any claims in respect of personal injury or defects in, or deterioration of, our value-added products. We cannot assure you that we will not be subject to product liability claims in the future. Any product liability claim and any legal proceedings, arbitration or administrative sanctions or penalties arising therefrom could have an adverse effect on our business, financial condition, results of operations and reputation. Even if we are able to successfully defend against any such claims, we cannot assure you that customers will not lose confidence in our products as a result of the claims, which may adversely affect our future business and reputation. Furthermore, any product liability claim, even one without merit, could result in our management expending significant time and resources and incurring significant expenses in defending such claim.

Our ability to maintain our current level of profitability depends on various factors that are beyond our control.

For the years ended December 31, 2022, 2023 and 2024, we achieved a gross profit margin of 13.6%, 13.1% and 13.6%, respectively, and a net profit margin from continuing operations of 6.5%, 5.9% and 7.4%, respectively. Although we believe that we are well-positioned to secure new projects and expand our operations in other high-growth cities, there is no assurance we will be able to maintain and continue to generate growth. For example, our ability to maintain revenue generated from sales of natural gas depends on our continued success in maintaining ongoing customer base. Any decline in our installation business and failure to maintain the number of end-customers connected to our gas pipeline networks will have an adverse impact on our PNG sales. Accordingly, there is no assurance that we will be able to sustain our current level of profitability and growth rates. Factors that could adversely affect our business and growth include, but are not limited to, competition from other gas distribution companies in areas that we seek to expand into, particularly those with more capital resources than us, and lack of success in securing and developing new operational locations, as well as increasing penetration rates in existing operational locations; reduction of the fees we can charge end-customers for gas pipeline connections, whether due to market supply and demand, government regulation or otherwise; changes in the government policy to promote the use of gas; significant increase in average gas procurement costs and our potential failure to pass on the increased costs to end-customers in a timely manner; shifts in consumer preferences from natural gas to competing forms of energy; the increasing penetration rate of electric vehicles that do not consume natural gas; slowdown in real estate development; and discontinuation of any government subsidies that we currently enjoy.

We are dependent upon subcontractors and other third parties for various services and products in our business.

We may from time to time subcontract portions of our production or services to independent third-party subcontractors. In addition, if we need extra manpower due to a shortage of labor, or in order to accelerate the progress of project work, we may need to subcontract labor services internally, hire short-term temporary workers, or engage independent third-party subcontractors. We also rely on third-party manufacturers or other service providers for production and supply of certain parts, components and services in connection with our operations. For example, we engage third-party contractors for engineering construction and installation business.

We may not be able to monitor the performance of our subcontractors and other third parties as directly and efficiently as our own staff. In addition, qualified subcontractors and other third parties may not always be readily available when our needs for outsourcing arise. If we are unable to hire qualified subcontractors and other third parties, our ability to complete projects or other contracts could be impaired. If the amounts that we are required to pay to subcontractors and other third parties exceed what we have estimated, especially in the case of customer contracts with a pre-agreed price, we may suffer losses on those contracts. Outsourcing also exposes us to risks associated with non-performance, delayed performance or substandard performance by subcontractors or other third parties. As a result, we may experience a deterioration in the quality or late delivery of our construction projects, incur additional costs due to delays or higher prices in sourcing the services, equipment or supplies, or be subject to liability under the relevant contract for the non-performance, delayed performance or substandard performance of our subcontractors or other third parties. Such events could have a material and adverse impact upon our profitability, financial condition and reputation, and may result in litigation or damage claims against us.

We are exposed to the credit risk of our C&I customers, and any increase in the level of non-payment by our customers may adversely affect our business and financial condition.

Non-payment by C&I customers could materially and adversely affect our business. For example, for our sale of PNG, we charge our C&I customers gas usage charges either in advance or in arrears. For those charged in advance, we require the customers to deposit gas charges into smart IC cards which are connected to the gas meters. Gas meters that record actual gas consumption are installed at the customers' premises and where smart gas meters are used, meter readings will be automatically transferred to our system in real-time, corresponding value of deposit will be charged in line with the volume of gas consumed at pre-determined unit. For those charged in arrears, monthly bills based on prior month's actual usage will be sent to the customer. In the event a customer defaults on the payment of gas usage charges, the customer's gas supply will be suspended at our discretion. In addition, we collect construction and installation fees from our C&I customers in advance in instalments based on the percentage-of-completion of the pipeline construction work. In general, a C&I customer is required to pay a deposit of the construction and installation fee upon signing of supply contract. In the event a customer defaults on the payment of construction and installation fees, we will not start the supply of gas to the customer until the construction and installation fees are fully paid. Although we have the ability to terminate or suspend services for customers who do not pay, any material increase in non-payment by our customers would increase our accounts receivables considerably without the corresponding increase in our working capital, which may materially and adversely affect our financial condition and results of operation.

Our operations may be restricted by our current and future debt covenants, failure to comply with the terms of our indebtedness could result in acceleration of debt, and our leverage could make it difficult for us to operate our business.

Our total interest-bearing borrowings as of April 30, 2025 amounted to RMB35.0 billion. Under the terms of our debt facilities and under any debt financing arrangement that we may enter into in the future, we are, and may in the future be, subject to covenants that could, among other things, restrict the business and operations of our Group and/or one or more of our subsidiaries. For example, we may be required to, among other things, comply with certain financial indicators imposed on liabilities/asset ratio and EBITDA ratio for certain loans. If we breach any of these covenants, our lender will be entitled to accelerate our debt obligations. Any default under our debt obligations could require us to repay these debts prior to maturity as well as limit our ability to obtain additional financing, which in turn may have a material adverse effect on our cash flow and liquidity. In addition, some of our debt facilities may contain cross-acceleration or cross-default provisions. As a result, our default under one debt facility may cause the acceleration of other debts, or result in a default under our other debt facility. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Our Directors confirm that we had neither material defaults in payment of loans and borrowings, nor any breach of financial covenants during the Track Record Period. We have and will continue to have a substantial amount of outstanding debt. Our debts could have significant consequences for our business and operations, including making it more difficult for us to satisfy our obligations under our financing arrangements; increasing our vulnerability to a downturn in our business or general economic and industry conditions; requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt and reducing the availability of our cash flow to fund internal growth through capital expenditures and for other general corporate purposes; negatively impacting credit terms with our creditors; and limiting, among other things, our ability to borrow additional funds or issue new shares in the future and increasing the costs of such additional capital.

We engage in, and plan to continue to engage in, hedging transactions, which expose us to certain risks.

Our business is exposed to fluctuations in commodity prices, especially for natural gas, and exchange rates. We have entered into, and plan to continue to enter into, various hedging transactions to enhance our ability to manage risks stemming from fluctuations of natural gas prices and foreign currencies. For example, we entered into certain commodity hedging contracts that are governed by the International Swaps and Derivatives Association master agreements during the Track Record Period. We also entered into derivative instruments to hedge against fluctuations of exchange rates and interest rates during the Track Record Period.

While these hedging transactions potentially reduce our exposure to changes in commodity prices and exchange rates, the use of such hedging instruments may ultimately limit our ability to benefit from favorable price trends. The successful use of hedging instruments depends on our ability to accurately forecast the direction and extent of market movements within a given time frame. To the extent natural gas prices remain stable or fluctuate in a direction opposite to our anticipations, we may incur losses from the hedging transactions. Furthermore, if we fail to properly monitor and manage our hedging positions, we may be required to deposit and utilize additional funds, which could adversely affect our financial position. Although we have implemented certain risk control procedures aimed at mitigating risks related to these hedging transactions, there can be no assurance that these procedures will be effective and adequate. There is no guarantee that we will not experience losses from these hedging transactions in the future, or that such losses will not have a material adverse effect on our business, financial condition, results of operations and prospects. For details, see "Business — Hedging Activities and Risk Management."

A reduction in or elimination of government grants and preferential tax treatments could affect our financial condition and results of operations.

We recognize government grants in the form of, among others, asset-related incentives and tax-related incentives. For the years ended December 31, 2022, 2023 and 2024, we recognized incentive subsidies of RMB388 million, RMB514 million and RMB558 million, respectively. Government grants primarily include (i) grants relating to assets, which are recognized under deferred income when received and amortized under other income over the useful life of such related assets in each subsequent reporting period; (ii) grants relating to our daily operations, which are recognized either under deferred income or other income; and (iii) grants not relating to our daily operations, which are non-recurring in nature. The form and amount of such government grants vary according to current government policies with respect to the relevant industry in the PRC. The amounts of and conditions attached to such grants are determined at the sole discretion of relevant government authorities. We cannot assure you that we will continue to be eligible to receive such government grants or that the amount of any such grants will not be reduced in the future, and even if we continue to be eligible, we cannot assure you that any conditions attached to such grants will be as favorable to us as they have historically been. If we are no longer eligible to receive such government grants or in similar amounts in the future, and are not able to arrange for alternative funding on similar terms, our financial condition and results of operations may be adversely affected.

In addition, some of our subsidiaries currently enjoy preferential tax treatments due to the nature of their respective business activities and the location of their projects. For example, some of our subsidiaries are qualified as "High and New Technology Enterprises" and, accordingly, enjoy a preferential income tax rate of 15%. Our certain subsidiaries also enjoy a preferential income tax rate of 15% for investments in encouraged industries in western regions of the PRC. If we are no longer eligible for such preferential tax treatments, or that our eligible preferential tax treatments are terminated or changed, our financial condition and results of operations may be adversely affected.

Fluctuations in exchange rates could result in foreign currency exchange losses.

A substantial portion of our revenues and cost of sales is denominated in RMB. However, as we have bonds and bank loans denominated in US dollar and we also enter into contracts that are denominated in US dollar for purchases of LNG from overseas counterparties, we are subject to risks associated with foreign currency exchange fluctuations.

Fluctuations in exchange rates between RMB, Hong Kong dollar, US dollar and other currencies are unpredictable and may be affected by a number of factors, such as economic and political developments. There can be no assurance that RMB will not appreciate or depreciate significantly in value against the Hong Kong dollar or US dollar in the future. It is difficult to predict how market forces may impact the exchange rates between RMB and foreign currencies in the future.

Revaluation of RMB may have an adverse effect on your [**REDACTED**]. For example, if we decide to convert our RMB to Hong Kong dollars for the purpose of making payments for any dividends on our Shares or for other business purposes, appreciation of the Hong Kong dollar against RMB would have a negative effect on the Hong Kong dollar amount available to us. As a result, fluctuations in exchange rates may have an adverse effect on your [**REDACTED**] in our [**REDACTED**].

Increases in interest rates may have an adverse effect on our results of operations.

Certain of our borrowings are subject to variable interest rates. As a consequence, any rise in short-term interest rates exposes us to increased borrowing costs. We seek to manage interest rate risk by regularly reviewing the market interest rates to capture the potential opportunities. We may also consider entering into interest rate swap arrangement when appropriate. However, no assurance can be given that these measures will be effective in protecting us against interest rate risk and a failure to manage this risk could have an adverse effect on our business, financial condition and results of operations.

Our financial performance may be affected by share of results of associates and joint ventures.

We have invested in associates and joint ventures and may continue to do so in the future. The performance of such associates and joint ventures has affected, and will continue to affect, our results of operations and financial position. We record our share of their profits or losses as share of results of associates or share of results of joint ventures. We recorded RMB6,021 million, RMB7,398 million, and RMB7,794 million in the aggregate in interests in associates and joint ventures as of December 31, 2022, 2023 and 2024, respectively. For details, see Notes 21 and 22 of the Accountants' Report included in Appendix I to this Document. Our interests in associates and joint ventures are not as liquid as other investment products as there is no cash flow until dividends are received even if the associates or joint ventures reported profits under the equity method of accounting. Furthermore, our ability to promptly sell one or more of our interests in our associates or joint ventures in response to changing economic, financial and investment conditions is limited. The market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our interests in the associates or joint ventures for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a purchaser and to complete the relevant transaction. Therefore, the illiquidity nature of our investment in associates and joint ventures may significantly limit our ability to respond to adverse changes in the performance of our associates. The success of an associate or a joint venture depends on a number of factors, some of which are beyond our control. As a result, we may not be able to realize the anticipated economic and other benefits from such associates and joint ventures, such as receiving dividends from them.

We are exposed to changes in the fair value of financial assets measured at fair value through profit or loss.

We recorded financial assets measured at fair value through profit or loss ("**FVTPL**") of RMB4,353 million, RMB4,534 million and RMB4,434 million as of December 31, 2022, 2023 and 2024, respectively. Our financial assets at FVTPL consist of investments in public securities and private securities, and wealth management products. See Note 25 to the Accountants' Report in Appendix I for more details.

The fair value change of financial assets at FVTPL may significantly affect our financial condition and results of operations. The determination of the fair value of such financial assets at FVTPL requires us to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such financial assets at FVTPL. These factors include, but are not limited to, general economic condition, changes in market interest rates and the stability of capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our financial condition and results of operations.

Interruption, shortage of utilities or fluctuation in utility prices may adversely affect operations of us.

Our production processes require a consistent and large supply of utilities, especially electricity and water. As a result, our production processes may be interrupted if there is an insufficient supply of utilities or a suspension of such supply. Also, we anticipate that our reliance on such utilities will further increase as we seek to expand our production capacities. Shortage of supply may, therefore, adversely affect our production and prevent us from satisfying demands or obligations under purchase agreements of our customers during the affected period.

The prices for utilities are subject to price volatility attributable to a number of factors which may be beyond our control, including inflation, disruption in the global supply chain, supplier capacity constraints, general economic conditions, commodity price fluctuations, demand from other industries for the same materials, the availability of complementary and substitute materials, and local and national regulatory requirements. There can be no assurance that shortages of utilities will not occur in the future or that we will be able to pass on related cost increases to our customers. Significant fluctuations in such costs may have a material effect on our profitability if we are unable to adjust the prices of our products accordingly.

Our results of operations could be adversely affected by seasonality or severe weather conditions.

Our various business segments are affected by seasonality. For example, demand for natural gas is subject to the seasonal changes in gas consumption and is generally lower in summer and higher in winter. Sale of our LNG products can also be affected by extreme weather conditions such as heat waves or winter storms as development of domestic natural gas-related infrastructure is still in its preliminary stage and gas storage capacity is still insufficient to moderate the mismatch between industrial supply and demand during such seasonal fluctuations.

We incur significant expenses to maintain our operational equipment and facilities and any interruption in the operations of our facilities may harm our operating performance.

We regularly incur significant expenses to maintain our operational equipment and facilities. The machines and equipment that we use to produce our natural gas are complex, which contain many parts and may be run on a continuous basis. We must perform routine maintenance on our equipment and will have to periodically replace a variety of parts such as motors, pumps, pipes and electrical parts. In addition, some of our facilities require periodic shutdowns to perform major maintenance. These scheduled shutdowns of facilities may result in decreased sales and increased costs in the periods in which a shutdown occurs and could result in unexpected operational disruptions in future periods as a result of changes to equipment and operational and mechanical processes made during the shutdown period. Prolonged disruption in operations at any of our facilities could cause lost production, which would have an adverse effect on our business, financial condition, and results of operations.

We are generally responsible for the repair and maintenance of (i) pipeline network and gas facilities in our operating areas, and (ii) part of the end-user pipeline network as specified in the PNG usage agreements with our customers, for our retail of gas. We may need to maintain, repair or replace certain equipment or facilities if we find any malfunction or safety risks in them, which requires significant capital expenditure. We expect that our capital expenditure for the maintenance of our operational facilities will increase as the PNG pipelines and facilities become aged, which may put pressure on our cash flows, and our financial condition and results of operations may therefore be adversely affected.

In addition, some of our production facilities are highly technical. Therefore, our ability to shift production or sourcing to other facilities in the event of an accident is limited. If a production facility was shut down temporarily, we would likely experience production delays and, to the extent that facility was used to produce input material for our downstream products, we could incur additional costs in sourcing alternative supplies, either of which could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to implement our strategies for future growth as planned, and our acquisitions and investments may not yield the expected results.

Our success in the future will depend on, among other things, our ability to implement our business strategies for future growth. Our business strategies include, among others, strengthening our position as an integrated clean energy products and services provider, expanding our coverage of downstream customers and access to upstream resources, upgrading our service and production capabilities, as well as maintaining sustainable development. The successful implementation of such business strategies may be affected by a number of factors, including fluctuations in demand from domestic and global markets, changes in customer preference and demand, the availability of resources suitable for our future product diversification into different industries, increasing competition, our ability to obtain any necessary approvals to enter into any markets in the future and changes in government policies.

We have in the past expand our business and enhance our market position through acquisitions, and may continue to do so in the future. If we fail to identify, consummate, and integrate our acquisitions or investments, our business, financial condition and results of operations may be adversely affected. We may also require additional funds and other resources from time to time to pursue our future business strategies. We cannot assure you that our business strategies can be implemented successfully or that the resources required to implement such business strategies will be available.

We have not obtained title certificates for some of our lands and properties, which could adversely affect our right to use such properties.

We currently do not hold land use right certificates and/or properties ownership certificates in respect of some of our lands and properties in the PRC. As of December 31, 2024, we had not obtained land use right certificates of 15 parcels of land with an aggregate site area of approximately 365.8 thousand m^2 out of 222 material parcels of land we owned in the PRC and properties ownership certificates of 17 properties with an aggregate site area of approximately 178.5 thousand m^2 out of 114 material properties we owned in the PRC. See "Business — Properties" for details. During the Track Record Period, no material administrative penalty has been imposed on us in relation to the lands and properties without relevant title certificates. As advised by our PRC Legal Advisor, our rights as owner or occupant of these lands and properties may be challenged due to the absence of the relevant title certificates. Accordingly, we may not be able to continue to use the relevant lands and properties, and we may need to seek alternative premises. Therefore, if our legal rights to the concerned properties are successfully challenged, we may be exposed to adverse effects on our business, financial condition and results of operations.

Failure to renew our leases or comply with PRC property-related laws and regulations regarding certain of our properties and leased properties could adversely affect our business.

We lease properties mainly for office purposes. As of December 31, 2024, we had five parcels of leased lands and 31 leased properties in the PRC that were material for our business operations and we had not received ownership certificates or proof of authorizations from lessors of one of our leased lands and two of our leased properties proving their right to lease those properties to us. If the lessor is not the owner of the property and the lessor has not obtained consent from the owner or their lessor for sub-lease, or if the property was mortgaged before it was leased to us, our lease could be invalidated or terminated as a result of challenges by third parties. Our inability to enter into new leases or renew existing leases on terms acceptable to us could adversely affect our business, financial condition and results of operations.

As of December 31, 2024, we had not completed the lease registration for all leased properties in the PRC that were material for our business operations with the relevant authorities. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements. However, we may be subject to fines ranging from RMB1,000 to RMB10,000 if we fail to rectify within the prescribed period after receiving notices from the relevant PRC government authorities.

Our risk management and internal control systems may not be adequate or effective.

We have designed and implemented risk management and internal control systems in relation to our business operations, financial reporting and general compliance which we believe are appropriate for our business operations. See "Business — Risk Management and Internal Control" for details. We cannot assure you that these systems are sufficiently effective in ensuring, among other things, accurate report of our financial results and prevention of fraud. Since our risk management and internal control systems depend on the implementation by our employees, we cannot assure you that our employees or other related third parties are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures, our business, financial condition and results of operations could be materially and adversely affected.

If we become a party to litigations, legal disputes, claims or administrative proceedings, such involvement may divert our management's attention and result in costs and liabilities.

We may from time to time become a party to various litigations, legal disputes, claims or administrative proceedings arising in the ordinary course of our business. On-going litigations, legal disputes, claims or administrative proceedings may divert our management's attention and consume their time and our other resources. Furthermore, any litigations, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved.

Negative publicity arising from litigations, legal disputes, claims or administrative proceedings may damage our reputation and adversely affect the image of our brands and products. In addition, if any verdict or award is rendered against us, we could be required to pay significant monetary damages, assume other liabilities and even to suspend or terminate the related business ventures or projects. Consequently, our business, financial condition and results of operations may be materially and adversely affected.

Our growth depends on our ability to continue to attract and retain key personnel.

The success of our business depends on our ability to continue to attract and retain key personnel, such as skilled workers, equipment operators, engineers, R&D personnel and other technical personnel, for our daily operations and business expansion. We cannot assure you that we will be able to continue to attract and retain sufficient skilled and experienced employees in the future. Due to the rapidly growing demand for qualified personnel in the PRC, competition for such personnel is intense. If we fail to retain or hire qualified personnel, we may experience difficulties in developing or applying new technologies, expanding our capacities, maintaining service quality, providing our customers with quality after-sales services or managing our operations and continuous expansion, which may in turn have a material and adverse effect on our business and reputation. Additionally, a significant increase in the wages paid by competing employers could result in a reduction in our skilled labor force or increases in our expenses for employee wages.

In addition, the industry expertise and extensive contributions of our directors and other members of our senior management are essential to our continuing success. As we continue to grow our business, we will increasingly require employees and executives who have industry-related experience and expertise. However, our senior management and key employees may voluntarily terminate employment with us or leave their positions for reasons beyond our control. We cannot assure you that we will not lose the services of any of our senior management members or directors. If this occurs, we may not be able to recruit and retain replacement personnel with equivalent qualifications on a timely or cost-effective basis, which could have a material adverse effect on our business, financial condition or results of operation.

We face strong competition from domestic and foreign competitors, and our business and prospects may be adversely affected if we are not able to compete effectively.

Our business competes in the domestic and international markets with other large companies. We compete with other natural gas operators on the basis of natural gas resources, pipeline construction and storage capabilities. Some of our overseas competitors may have greater supply capacity of natural gas as well as greater financial, marketing, distribution and other resources than we do, and may enjoy more established brand names in international markets. In addition, competition in engineering construction and installation services largely focuses on advancement of technology, price of services, quality and variety of services provided, financial capacity, and creditworthiness. See "Business — Competition" for details about the competition we face for our various business segments. We cannot assure you that we can continue to compete effectively in light of increased competition in the future.

Any force majeure events, including future occurrence of natural disasters or outbreaks of contagious diseases in the PRC or other locations where we operate our business, may have a material adverse effect on our business, financial condition and results of operations.

Our business could be adversely affected by severe weather conditions and natural disasters or the outbreak of avian influenza, severe acute respiratory syndrome, H1N1, H7N9, the COVID-19 pandemic or any other epidemics. Any of such occurrences could cause us to incur additional costs and cause severe disruption to our daily operations, and may even require a temporary closure of our business or facilities. There is no guarantee that any future occurrence of natural disasters or outbreaks of contagious diseases, or the response measures taken by the PRC government or other countries, will not seriously interrupt our operations or those of our customers, which may have a material and adverse effect on our business, financial condition and results of operations.

Our insurance coverage may be insufficient to cover all associated risks of loss.

We maintain several policies that cover potential losses or damages in respect our operations. These policies cover property insurance, machinery breakdown insurance and safety production liability insurance. We maintain insurance coverage in amounts that we believe are commensurate with our risk of loss and industry practice. We cannot, however, guarantee that our insurance policies will provide adequate compensation for all potential losses. Consistent with what we believe to be customary practice in the PRC, we do not carry any business interruption insurance, insurance covering potential environmental damage claims and contractors' all-risk and third-party liability insurance. Accidents or natural disasters may also result in significant property damage, disruption to our operations and personal injuries, and our insurance coverage may be inadequate to cover such losses. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to successfully develop or adopt new technologies in a timely manner. In particular, our investments in R&D may not yield any positive results as we expect, which could affect our ability to maintain our leading position in technologies and meet the changing demands of our clients.

Our future business success will partly depend on our ability to achieve continual technology innovation and meet changing market trends and evolving client demand. Accordingly, we need to understand, predict and adapt to changing market trends, develop or adopt competitive technologies and apply our technological innovations to the development of our services and products in a timely manner. There is no assurance that our efforts in this regard will succeed. If we fail to develop or adopt new technologies in a timely manner to meet the changing industry trends in the future, or if our clients or competitors have developed or adopted advanced technologies which are more effective or more commercially attractive, our business may be adversely affected. For example, substitute products which can provide similar or better qualities and substitute technologies and production processes which are more cost-efficient or environment friendly may be developed in the future. If any such substitute product gains wider application and popularity than our products or any such substitute technologies and production processes are successfully developed for commercial use, we may not respond adequately to these changes. If any of these risks materialize, our business, financial condition, results of operations and future development may be adversely and materially affected.

We attach great importance to the R&D in our operations. For the years ended December 31, 2022, 2023 and 2024, our R&D expenses amounted to RMB1,218 million, RMB955 million and RMB824 million, respectively. We strive to enhance our existing products by expanding our productivity or improving or replacing existing technologies and processes with more cost-efficient or environment friendly technologies and processes. We may face risks related to our R&D efforts, including delays, cost overruns and unanticipated technical difficulties. There can be no assurance that our substantial investment in R&D will yield any positive results as we expect, in which case, our business and financial condition may be adversely affected.

We may not be able to protect our patents or other intellectual property.

We believe that developing innovative products, services and manufacturing processes is important in differentiating our business from that of our competitors and is critical to the success of our business, especially for our integrated energy solutions and value-added business segments. We rely heavily on patents to protect certain advanced technical features of our products and services. However, we may not be able to successfully apply for such patents to protect our intellectual property.

Furthermore, patent applications in certain countries may not be published until more than 18 months after they are first filed and, therefore, we cannot be certain that we will be the first creator of technologies covered by pending patent applications or the first to file patent applications on these inventions. For details of our intellectual properties, see "Business — Intellectual Property." In addition, we could lose our exclusive rights to use the proprietary processes and technologies that are covered by patents and patent applications. Our patents may be subject to challenges as to their scope or may be found to be invalid or otherwise unenforceable. Statutory differences in patentable subject matter depending on the jurisdiction may also limit the protection we obtain on certain of the technologies we develop. Complicated factual and legal issues could introduce uncertainty as to the validity, scope and enforceability of our patents and other intellectual property rights. We may not be able to exclude competitors from using the technologies we seek to protect if patent applications are not granted, patents were to expire or patents were successfully challenged. Any failure to protect, maintain and enforce our intellectual property could, therefore, impair our competitiveness, divert our management's attention and have a material adverse effect on our business, financial condition or results of operations.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches.

We utilize a number of information technology systems and platforms to manage all aspects of our operations, including but not limited to sales and marketing, production, procurement, logistics, quality control and finance and human resources. In addition, we store various proprietary information and customer data in certain systems. See "Business — Information Technology and Data Protection" for details. Therefore, our business is dependent upon the continued maintenance and enhancement of our information technology systems.

These information technology systems are subject to certain risks, such as malfunction, natural disasters and malware attacks. Our cybersecurity measures may not timely detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks that may disrupt the operation of the information technology systems. Any breach of our cybersecurity measure, or malfunction, damages, disruptions or shut down of our information technology systems may result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial-of-service or other interruption to our business operations. In cases of malware attacks, we may also be asked to make a lump-sum payment in order to resume the operation of our systems. There is no assurance that we will not be subject to any of these cyber security issues in the future. If we cannot effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be adversely affected.

Furthermore, we need to constantly upgrade and improve our information technology systems to keep up with the continuous growth of our operations and business. We may not always be successful in installing, running or implementing new software or advanced information technology systems as required by our business development, which may have an adverse impact on our business, financial condition and results of operations.

We may be subject to claims of infringement of third-party intellectual property rights.

In the process of implementing new technologies and process, we may not be aware of third-party intellectual property rights and, accordingly, may be unable to assess the scope and validity of such rights in relation to our operations and value-added products. In addition, product development is inherently uncertain in a rapidly evolving technology environment as there may be numerous patent applications pending, many of which are confidential when filed and relate to similar technologies. Accordingly, we may become subject to lawsuits for infringement on third-party intellectual property rights. Intellectual property litigation could adversely affect the development or sale of the challenged product or technology and require us to pay substantial damages or royalties to license proprietary rights from third parties. Such licenses may not be available to us on acceptable terms, if at all. Given the rapid technological change that characterizes our industries, we cannot assure you that our current measures are adequate and that we will not be subject to claims of infringement by third parties, both within the PRC or elsewhere. Any intellectual property litigation could cause us reputational damage and to incur significant expenses or divert our personnel's attention and efforts, any of which could have a material adverse effect on our business, financial condition or results of operation.

We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees, customers or other third parties.

We may be exposed to fraud or other misconduct committed by our employees, representatives, agents, or other third parties that could subject us to litigation, financial losses and sanctions imposed by governmental authorities, which in turn affects our reputation.

Our internal control procedures are designed to monitor our operations, ensure overall compliance and continuously train and evaluate our employees. However, such internal control procedures may be unable to identify all incidents of non-compliance or suspicious transactions in a timely manner if at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

The economic, political and social conditions in the jurisdictions where we operate, as well as government policies, laws and regulations, could affect our business, financial conditions and results of operations.

A majority of our businesses, assets and operations are located in the PRC. Accordingly, our business, financial condition and results of operations are, to a significant degree, affected by the economic, political and legal developments in the PRC. Our performance is affected by China's economy, which may be influenced by the industry-related policies and other relevant regulations promulgated by the PRC government. We cannot predict all the risks that we face as a result of the current economic and regulatory developments and many of these risks are beyond our control. All such factors may materially and adversely affect our business, financial condition and results of operations.

Uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

We conduct business in multiple geographic markets that adopt different legal systems. These jurisdictions in which we operate adopt either the civil law system or the common law system. In the civil law system, prior court decisions may be cited for reference and may have limited precedential value. Therefore, you may need to assess the level of legal protection we have in many of the geographic markets in which we operate. Any failure to comply with these laws and regulations may result in substantial costs and the diversion of resources and management attention, thereby adversely affecting our business, financial condition and results of operations.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

Our Company is incorporated under the laws of the PRC, and a substantial part of our business, assets and operations are located in the PRC. In addition, a majority of our Directors and senior management reside in the PRC, and substantially all of the assets of such Directors and senior management are located in the PRC. Therefore, it may be difficult or impossible for investors to effect service of process upon the Company or those persons outside the PRC.

The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom, Japan or other countries. On January 18, 2019, the Supreme People's Court and the Hong Kong Special Administrative Region Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"). The New Arrangement was issued on January 25, 2024 and came into effect on January 29, 2024, seeking to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and mainland China. The New Arrangement does not include the requirement for a choice of court agreement in writing by the parties. There may be uncertainties in the enforcement of a judgment rendered by a Hong Kong court in mainland China if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against certain of our assets or Directors in the PRC in order to seek recognition and enforcement of judgments by non-PRC courts, including a Hong Kong court, in mainland China.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your [**REDACTED**]**.**

While a large majority of our revenue and cost of sales is denominated in RMB, our Group has certain outstanding notes and loans denominated in USD. In addition, we also purchase LNG from some international suppliers in USD. Therefore, a portion of our cash may be required to be converted into other currencies in order to meet our foreign currency needs, including, among others, payment of foreign currency-denominated debt, overseas operation, and purchases of imported equipment or materials.

Conversion of RMB into foreign currency and remittance of foreign currency out of the PRC under certain circumstances are subject to PRC foreign exchange regulations. If there are unfavorable changes in exchange rates, or if PRC government implements regulatory policies that limit our ability to convert RMB into foreign currency, we may not have sufficient foreign exchange to meet our foreign exchange needs. Under current PRC foreign exchange regulations, certain current account transactions such as profit distributions, interest payments and trade-related expenses can be conducted in foreign currency without prior approval from the SAFE, as long as certain procedural requirements are met. However, capital account transactions such as capital transfers, direct investments, securities investments and repayment of borrowings are subject to foreign exchange policies and require prior approval from the SAFE or registration with the SAFE or authorized banks. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

Non-PRC Holders of our H Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gain from share transfer derived in the PRC under the

Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. According to the Notice of the Ministry of Finance and the State Administration of Taxation ("**SAT**") on Several Policy Issues Concerning Individual Income Tax (《財政部國家稅務總局關於個人所得稅若干政策問題的通知》) issued on May 13, 1994, foreign individuals are exempt from individual income tax on dividends received from foreign-invested enterprises. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of Hong Kong (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) issued by the SAT effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 10% rate. The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between the PRC and the jurisdiction of the residence of the relevant non-PRC resident enterprise. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations are subject to the then relevant laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your [**REDACTED**] in our H Shares may be materially affected.

Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), an enterprise established outside of the PRC with a "de facto management organization" located within the PRC will be considered a "resident enterprise," and, consequently, will be treated in a manner similar to a PRC enterprise for enterprise income tax ("**EIT**") purposes. The implementing rules of the EIT Law define "de facto management" as "substantial and overall management and control over the production and operations, personnel, accounting, and properties" of the enterprise.

However, it is unclear how the PRC tax authorities will determine whether an entity will be classified as a "resident enterprise." If the PRC tax authorities determine that any of our offshore subsidiaries is a "resident enterprise" for EIT purposes, a number of unfavorable PRC tax consequences could follow. Such offshore subsidiary will be subject to EIT at a rate of 25% on its worldwide taxable income as well as PRC EIT reporting obligations if it is considered as a "resident enterprise" for EIT purposes. In the present case, this would mean that income such as interest from any investment of any portion of offering proceeds and other income sourced from outside the PRC would be subject to PRC EIT at a rate of 25%. The EIT on our offshore subsidiaries' income could increase our tax burden and affect our cash flows and profitability. In addition to the uncertainty relating to the offshore subsidiaries' status as "resident enterprises," the PRC government could amend the tax laws, rules and regulations to impose stricter tax requirements, higher tax rates or otherwise revise the EIT Law in a way that has an adverse impact on our business, financial condition and results of operations.

[**REDACTED**]

[**REDACTED**]

RISKS RELATING TO THE DUAL [REDACTED]

There are uncertainties relating to the Privatization.

As stated in the 3.5 Announcement and the Scheme Document, our [**REDACTED**] is in connection with the Privatization to enable us to [**REDACTED**] H Shares as consideration for the cancellation of the Scheme Shares. Accordingly, the success of the [**REDACTED**] is conditional upon the Privatization becoming successful and it is a condition to the Scheme becoming effective that the [**REDACTED**] of the Stock Exchange approves the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares on the Stock Exchange issued pursuant to the [**REDACTED**]. The Scheme is subject to various conditions as set forth in detail in the Scheme Document. As at the date of this Document, the following conditions, amongst others, remain unfulfilled:

- the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;

- the approval of the Scheme (by way of poll) by the ENN Energy Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the ENN Energy Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the ENN Energy Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to the Scheme Shares held by all ENN Energy Disinterested Shareholders;

- the passing of (i) a special resolution by a majority of not less than three-fourths of the votes cast by the ENN Energy Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the share capital of ENN Energy as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) an ordinary resolution by a simple majority of the votes cast by the ENN Energy Shareholders present and voting in person or by proxy at the EGM to approve the simultaneous maintenance of the share capital of ENN Energy at the amount prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, such number of new ENN Energy Shares as is equal to the number of Scheme Shares cancelled, and applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par the new ENN Energy Shares so issued, credited as fully paid, for issuance to the Offeror;

- the Grand Court's sanction of the Scheme (with or without modifications) and, to the extent necessary, its confirmation of any reduction of the share capital of ENN Energy, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration; and

- compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Cayman Companies Act in relation to any reduction of the issued share capital of ENN Energy.

The above conditions cannot be waived. Accordingly, if any of the conditions above are not satisfied on or before the Scheme Long Stop Date, the Privatization will lapse and the [**REDACTED**] will be aborted.

We will be concurrently subject to [REDACTED] and regulatory requirements of mainland China and Hong Kong.

As we are listed on the Shanghai Stock Exchange and will be [**REDACTED**] on the Main Board in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A Share and H Share markets may differ.

Our A Shares are listed and traded on the Shanghai Stock Exchange. Following the [**REDACTED**] of the [**REDACTED**], our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange. Under current laws and regulations of the PRC, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

There has been no prior public market for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the [**REDACTED**] of the [**REDACTED**], there has not been a public market for our H Shares in Hong Kong. An active public market in Hong Kong may not develop or be sustained after the [**REDACTED**] of the [**REDACTED**]. We have applied to [**REDACTED**] and [**REDACTED**] our H Shares on the Stock Exchange. However, even if approved, being

[**REDACTED**] on the Stock Exchange does not guarantee that an active trading market for our H Shares in Hong Kong will develop. Moreover, the market price for the H Shares in Hong Kong may be different from the trading price of A Shares. If an active market for our Shares does not develop after the [**REDACTED**] of the [**REDACTED**], the market price and liquidity of our H Shares may be adversely affected. There can be no assurance as to the ability of Shareholders to sell their Shares or the prices at [**REDACTED**] would be able to sell their Shares.

The price and trading volume of our H Shares may be volatile, which could lead to losses to investors.

Prior to the [**REDACTED**] of the [**REDACTED**], there is no public offer price for our H Shares. The intrinsic value of our H Shares may be derived from the disclosure in this Document and the Scheme Document and by reference to (i) the trading price of the ENN Energy Shares on its last trading day; and (ii) the Share Exchange Ratio. This implied price may differ significantly from the market price for the H Shares following the [**REDACTED**] of the [**REDACTED**].

It cannot be determined whether investors prefer to invest in H Shares or A Shares. H Shares can moreover not be converted or exchanged into A Shares, and they are not fungible with A Shares. The share price is determined by the supply of and demand for the H Shares and may not necessarily reflect the fair value of our Company. Some of the factors that could negatively affect the share price or result in fluctuations in the price or trading volume of the H Shares include, for example, business developments, fluctuations in our actual or projected operating results, fluctuations in the share price of our A Shares, changes in projected or expected financial performance, variations in quarterly results, failure to meet securities analysts' expectations, the contents of published research reports about us or our industry segments or securities analysts failing or ceasing to cover us following the [**REDACTED**] of the [**REDACTED**], actions by institutional Shareholders and general market conditions or special factors influencing companies in the industry in general. Furthermore, the share price could also decline due to future sales or market expectations of sales of a substantial number of Shares in us by significant Shareholders. Fluctuations in the equity markets could also cause the share price to decline, though such general fluctuations may not necessarily have any particular basis in our business or prospects. In particular, the trading prices of the A Shares may not be indicators for the price of the H Shares. If the share price declines, investors may be unable to resell their Shares at or above their purchase price and may lose some or all of their [**REDACTED**] in our H Shares.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have an adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of shareholdings of holders of H Shares.

In the future, our Company may seek to raise capital through offerings of equity or debt securities (including convertible debt securities). An issuance of additional equity securities, including A Shares, H Shares, or securities with rights to convert into equity could adversely affect the market price of our H Shares and would dilute the economic position and voting rights of existing Shareholders. Pursuant to the PRC Company Law, the holders of A Shares or H Shares are not entitled to any statutory subscription rights in relation to the A Shares or H Shares. Because the timing and nature of any future offering would depend on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. Thus, holders of H Shares bear the risk of future offerings reducing the market price of the H Shares and/or diluting their shareholdings in us. In addition, the acquisition of other companies or investments in companies in exchange for newly issued Shares of us, as well as future share option incentive schemes, could lead to such dilution. Any additional offering of Shares by us, or the public perception that an offering may occur, could also have a negative impact on, or increase the volatility of, the market price of our H Shares.

Similarly, the market price of our H Shares could decline as a result of substantial future sales of our H Shares or other securities relating to our Shares in the public market. Future sales, or perceived sales, of substantial amounts of our Shares could adversely affect the prevailing market price of our H Shares and our ability to raise additional capital in the future.

Our Controlling Shareholders have substantial influence over our Company, and their interests may not be aligned with the interests of other Shareholders.

Immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization, our Controlling Shareholders will continue to hold approximately [**REDACTED**] of the issued share capital of our Company (assuming that there are no other changes to the issued share capital of the Company and ENN Energy and holdings of our Shares and ENN Energy Shares between the Latest Practicable Date and the [**REDACTED**]). The interests of the Controlling Shareholders may differ from the interests of other Shareholders of us, including public Shareholders who obtain H Shares through the Privatization. The Controlling Shareholders will have significant influence on the outcome of any corporate transaction or other matters submitted to our public Shareholders for approval, including mergers, consolidations, sales of all or substantially all of our assets, election of directors and other significant corporate actions. To the extent that the interests of our Controlling Shareholders conflict with those of other public Shareholders of us, the interests of the other public Shareholders may be disadvantaged or harmed.

You should not place any reliance on any information released by us in connection with the [REDACTED] of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in mainland China. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares [**REDACTED**] is based on regulatory requirements of the securities authorities, industry standards and market practices in mainland China, which are different from those applicable to the [**REDACTED**] of our H Shares on the Hong Kong Stock Exchange. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Document. As a result, prospective investors in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this Document. By receiving H Shares in consideration for the cancellation of the Scheme Shares, investors will be deemed to have agreed that you will not rely on any information other than that contained in this Document.

Payment of dividends is subject to restrictions, including the requirement that we have sufficient distributable profits enabling us to make dividend distributions to our Shareholders, and we may elect to pay any dividend in the form of A Shares or H Shares rather than cash.

Under applicable PRC law, we may only pay dividends to Shareholders out of our distributable profits. Distributable profits are our after-tax profits as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. For the years ended December 31, 2022, 2023 and 2024, cash dividends paid to owners of the Company amounted to RMB873 million, RMB1,577 million and RMB2,805 million, respectively. However, we may not have sufficient or any distributable profits to enable us to make dividend distributions to our Shareholders in the future, including for the periods in which our financial statements indicate that our operations have been unprofitable. Moreover, under applicable PRC law, we may elect to pay dividends in the form of A Shares or H Shares in addition to cash. See also "— Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your [**REDACTED**]."

The [REDACTED] of our Group may not be comparable to the valuation of the Company upon [REDACTED] of the [REDACTED] and the expected share price may not be correct.

The [**REDACTED**] financial information in the [**REDACTED**] Financial Information set out in Appendix II to this Document is prepared for illustrative purposes only. Because of its hypothetical nature, it may not give a true picture of the financial position, net tangible assets per share, financial results or cash flows of our Group had the Privatization Proposal been completed as at the respective dates stated or at any future date. Particularly, the [**REDACTED**] of our Group may not be comparable to the valuation of the Company upon [**REDACTED**] of the [**REDACTED**] and the expected share price may not be correct. The [**REDACTED**] financial information should be read in conjunction with other financial information included elsewhere in this Document.

RISKS RELATING TO STATEMENTS MADE IN THIS DOCUMENT

Certain facts, forecast and other statistics in this Document obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this Document are derived from various government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding ourselves and the [REDACTED].

Prior to the publication of this Document, there had been press and media coverage regarding us and the [**REDACTED**], which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this Document only, and should not rely on any other information.

Forward-looking statements contained in this Document are subject to risks and uncertainties.

This Document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [**REDACTED**] information and other matters. The words "aim," "anticipate," "believe," "could," "predict," "potential," "continue," "expect," "intend," "may," "might," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and investors should not place undue reliance.

In preparation for the [**REDACTED**], our Company has sought [and has been granted] the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, our Company must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 and Rule 19A.15 of the Listing Rules as all of the executive Directors are not ordinarily resident in Hong Kong.

Our Group's headquarters, senior management, business operations and assets are primarily based outside Hong Kong. The Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. Therefore, our Company does not, and does not contemplate in the foreseeable future that we will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under the Listing Rules.

Accordingly, we have applied for, [and the Stock Exchange has granted], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

(i) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. At present, our two authorized representatives are Mr. JIANG Chenghong and Ms. LEUNG Mui Yin;

(ii) pursuant to Rule 3.20 of the Listing Rules, each Director will provide their contact information to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required;

(iii) we will endeavor to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period; and

(iv) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Somerley Capital Limited as compliance advisor (the "**Compliance Advisor**"), who will act as an additional channel of communication with the Stock Exchange. We will ensure that the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that such persons will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between us and the Stock Exchange.

WAIVER IN RELATION TO THE PARTICULARS OF INFORMATION OF OUR SUBSIDIARIES

Paragraph 26 of Appendix D1A to the Listing Rules requires this Document to include the particulars of any alterations in the capital of any member of our Group within the two years immediately preceding the issue of this Document.

Paragraph 45(2) of Appendix D1A to the Listing Rules requires to disclose the name of each person (other than Directors or chief executive of our Company), who is directly or indirectly interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities.

As of the Latest Practicable Date, we have more than 1,000 subsidiaries globally. It would be unduly burdensome for us to disclose the required information in respect of all of our subsidiaries as our Company would have to incur additional costs and devote additional resources in compiling and verifying the relevant information for such disclosure, which would not be material nor meaningful to investors. The non-disclosure of such information will not prejudice the interests of our Shareholders or potential investors.

We have identified 17 subsidiaries (collectively, the "**Major Subsidiaries**" and each a "**Major Subsidiary**") that we consider are material to our operations and/or contributed significantly to our financial performance in any financial year during the Track Record Period. As of December 31, 2022, 2023 and 2024, the aggregate assets of the Company and its Major Subsidiaries (without intercompany eliminations) represent 94.6%, 94.9% and 96.1% of our total assets and for each of the financial years ended December 31, 2022, 2023 and 2024, the aggregate revenue of the Company and its Major Subsidiaries (without intercompany eliminations) represents 56.3%, 50.2%, and 57.9% of our total revenue respectively; and the aggregate net profits of the Company and its Major Subsidiaries (without intercompany eliminations) represent 167.8%, 133.8%, and 144.1% of our Group's net profits for each of the financial years ended December 31, 2022, 2023 and 2024.

We have disclosed the particulars of the changes in the share capital of our Company and the Major Subsidiaries in the sections headed "Statutory and General Information — A. Further Information About Our Group — 2. Changes in Share Capital of our Company" and "Statutory and General Information — A. Further Information About Our Group — 3. Changes in Share Capital of our Major Subsidiaries" in Appendix VI to this Document.

In addition, details of each person (other than Directors or chief executive of our Company) of our Group who is interested in 10% or more of the issued voting shares of any Major Subsidiaries and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities, if any, are disclosed in "Appendix VI — Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 3. Disclosure of Interests — (b) Interests in our Company's Major Subsidiaries" to this Document.

We have applied for[, and the Stock Exchange has granted,] a waiver from strict compliance with the requirements under paragraphs 26 and 45(2) of Appendix D1A to the Listing Rules, in respect of disclosing the particulars of any alteration in the capital of any member of our Group within the two years immediately preceding the issue of this Document and the name of each person (other than Directors or chief executive of our Company), who is directly or indirectly interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions and expect to continue such transactions after the [**REDACTED**] of the [**REDACTED**], which will constitute partially-exempt continuing connected transactions of our Company under the Listing Rules after the [**REDACTED**] of the [**REDACTED**].

Pursuant to Chapter 14A of the Listing Rules, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules for such partially-exempt continuing connected transactions. For further details of such partially-exempt continuing connected transactions and the waiver, please refer to the section headed "Connected Transactions" in this Document.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. JIANG Chenghong (蔣承宏)	Room 501, Building 73 Balizhuang Xili Chaoyang District Beijing PRC	Chinese
Mr. YU Jianchao (于建潮)	No. 76, South Zhonghuan Road Airport Area Binhai New Area Tianjin PRC	Chinese
Mr. HAN Jishen (韓繼深)	Room 1103, Building 9 Kongzhong Huayuan, Yonghe Street Guangyang District Langfang City Hebei Province PRC	Chinese
Mr. ZHANG Yuying (張宇迎)	No. 2, Anwai Street Dongcheng District Beijing PRC	Chinese
Mr. WANG Yusuo (王玉鎖)	Room 102, Unit 2 Building 12, Qiyuan Community Youyi Road, Development Zone Langfang City Hebei Province PRC	Chinese
Ms. ZHANG Jin (張瑾)	No. 6, Chuangye Road Shangdi, Haidian District Beijing PRC	Chinese

Name	Address	Nationality
Non-executive Director		
Mr. WANG Zizheng (王子崢)	Room 3201, Building 4 Longmai Hot Spring Garden Community Xiaotangshan Town Changping District Beijing PRC	Chinese
Independent Non-executive Directors		
Mr. WONG Tin Chak (王天澤)	Flat 1002, 10/F, Block 27 Heng Fa Chuen Chai Wan Hong Kong	Chinese (Hong Kong)
Mr. ZHANG Yu (張余)	Room 302, Door 4 1st Floor, Kanghong Garden Dongcheng District Beijing PRC	Chinese
Ms. WANG Chunmei (王春梅)	Room 902, Unit 2 Building 1 Wan Tang Yunqi Apartment Xihu District Hangzhou PRC	Chinese
Mr. CHU Yuansheng (初源盛)	Room 103, Building 39 Xiaonanzhuang Haidian District Beijing PRC	Chinese

For further information regarding our Directors, see "Directors and Senior Management" in this Document.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor and a Financial Advisor to our Company and the Offeror in respect of the Privatization Proposal and the ENN Energy Share Option Offer	**China International Capital Corporation Hong Kong Securities Limited** 29/F One International Finance Centre 1 Harbour View Street, Central Hong Kong
Legal Advisors to our Company	*as to Hong Kong law:* **Sullivan & Cromwell (Hong Kong) LLP** 20/F, Alexandra House 18 Chater Road Central Hong Kong *as to PRC law:* **Grandway Law Offices** 7-8/F News Plaza No. 26, Jianguomennei Avenue Dongcheng District Beijing, 100005 PRC
Legal Advisors to the Sole Sponsor	*as to Hong Kong law:* **Slaughter and May** 47th Floor, Jardine House One Connaught Place Central Hong Kong *as to PRC law:* **Jia Yuan Law Offices** Room F408, Ocean Building No. 158 Fuxingmen Inner Street Xicheng District Beijing PRC

Reporting Accountants	**HLB Hodgson Impey Cheng Limited** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 31/F., Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong
Auditors(1)	**Zhongxi Certified Public Accountants (Special General Partnership)** *Certified Public Accountants* 11/F, Tower A Xincheng Culture Building No. 11 Chongwenmenwai Street Dongcheng District Beijing PRC
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Shanghai 200040 PRC
Compliance Advisor	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong

Note:

(1) Zhongxi Certified Public Accountants (Special General Partnership) has prepared the audit reports for our Company in accordance with PRC GAAP during the Track Record Period for publication on A Share market. Upon completion of our internal approval process, we will decide on our auditor to prepare audit financial statements in accordance with HKFRS subsequent to the [**REDACTED**] and will update the Hong Kong Stock Exchange accordingly.

CORPORATE INFORMATION

Registered Office	383 Heping East Road Shijiazhuang Hebei Province PRC
Headquarters and Principal Place of Business in the PRC	118 Huaxiang Road Guangyang District Langfang City Hebei Province PRC
Principal Place of Business in Hong Kong	Rooms 3101–04 31st Floor Tower 1 Lippo Centre No. 89 Queensway Hong Kong
Company's Website	**https://www.enn-ng.com/** *(the information contained on this website does not form part of this Document)*
Company Secretary	**Ms. LEUNG Mui Yin (梁梅燕)** *(Member of The Hong Kong Chartered Governance Institute, member of The Chartered Governance Institute in the United Kingdom and member of The Hong Kong Institute of Certified Public Accountants)* Rooms 3101–04 31st Floor Tower 1 Lippo Centre No. 89 Queensway Hong Kong

Authorized Representatives	**Mr. JIANG Chenghong (蔣承宏)** 118 Huaxiang Road Guangyang District Langfang City Hebei Province PRC **Ms. LEUNG Mui Yin (梁梅燕)** Rooms 3101–04 31st Floor Tower 1 Lippo Centre No. 89 Queensway Hong Kong
Audit Committee	Mr. WONG Tin Chak (王天澤) *(Chairperson)* Mr. ZHANG Yu (張余) Ms. WANG Chunmei (王春梅) Mr. CHU Yuansheng (初源盛)
Remuneration and Appraisal Committee	Ms. WANG Chunmei (王春梅) *(Chairperson)* Mr. WONG Tin Chak (王天澤) Mr. ZHANG Yu (張余) Mr. CHU Yuansheng (初源盛)
Nomination Committee	Mr. CHU Yuansheng (初源盛) *(Chairperson)* Mr. YU Jianchao (于建潮) Ms. ZHANG Jin (張瑾) Mr. WONG Tin Chak (王天澤) Mr. ZHANG Yu (張余)
Strategy and ESG Committee	Mr. YU Jianchao (于建潮) *(Chairperson)* Mr. JIANG Chenghong (蔣承宏) Mr. ZHANG Yuying (張宇迎) Mr. WANG Zizheng (王子崢) Mr. WONG Tin Chak (王天澤) Mr. ZHANG Yu (張余) Ms. WANG Chunmei (王春梅) Mr. CHU Yuansheng (初源盛)

CORPORATE INFORMATION

[**REDACTED**] [**REDACTED**]

Compliance Advisor

Somerley Capital Limited
20/F China Building
29 Queen's Road Central
Hong Kong

Principal Banks

Bank of China
Langfang Branch
No. 142 Jiefang Road
Langfang City
Hebei Province
PRC

China CITIC Bank
Langfang Branch
No. 101 Guangyang Road
Guangyang District
Langfang City
Hebei Province
PRC

The information and statistics set out in this section and other sections of this Document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the* [REDACTED]*. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, and any of their respective directors and advisors, or any other persons or parties involved in the* [REDACTED]*, and no representation is given as to its accuracy.

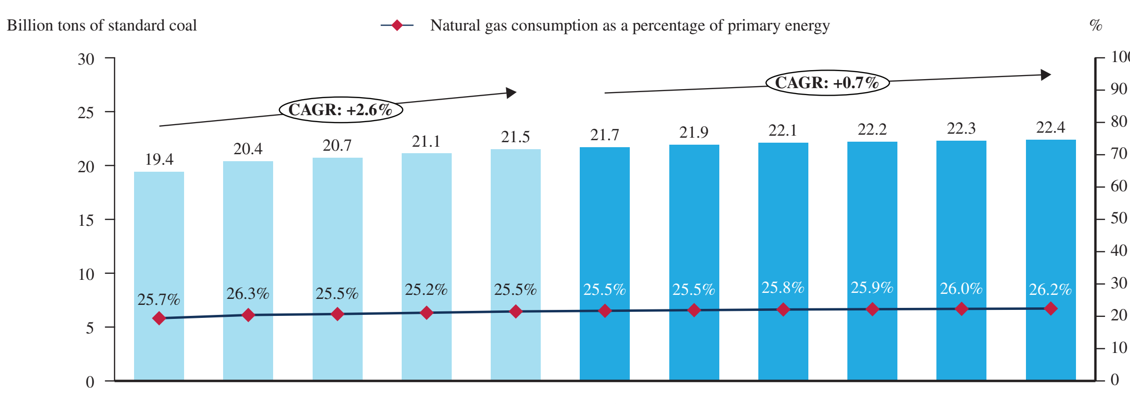
OVERVIEW OF GLOBAL NATURAL GAS INDUSTRY

Natural Gas Plays a Key Role in Global Primary Energy Consumption

Natural gas is a critical pillar of the current global primary energy structure. Among fossil fuels, it is highly valued for its superior cleanliness, efficiency, and adaptability. As a major primary energy source, natural gas is widely used across heating, power generation, industrial applications, and transportation. During the transitional phase where renewable energy has yet to fully and stably replace traditional energy, natural gas is seen as a foundation in building a stable, secure, and green energy system due to its advantages in dispatchability, low emissions, and technological maturity.

The total global consumption volume of primary energy increased from approximately 19.4 billion tons of standard coal in 2020 to approximately 21.5 billion tons in 2024, representing a CAGR of approximately 2.6%. It is projected that global consumption volume of primary energy will reach approximately 22.4 billion tons by 2030, with a slower CAGR of approximately 0.7% from 2025 to 2030. Against the backdrop of ongoing optimization of the global energy structure, natural gas is gradually increasing its share in consumption volume of primary energy, thanks to its environmentally friendly, safe, and flexible characteristics. Driven by the low-carbon upgrade of industry, diversification of transportation energy, and the continuous expansion of the global natural gas trade network, the share of natural gas in global consumption volume of primary energy is expected to reach approximately 26.2% by 2030, becoming a key driver of global energy transition and "carbon neutrality" goals.

Global Consumption Volume of Primary Energy and Share of Natural Gas, 2020-2030E



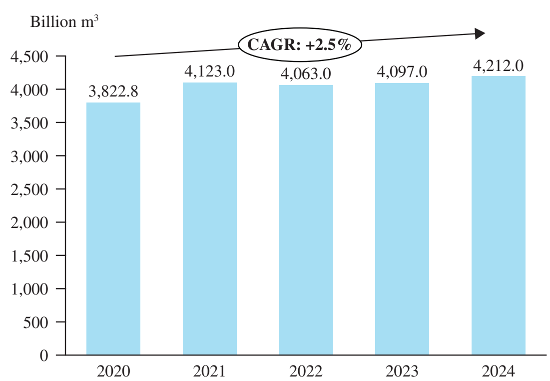
Source: Statistical Review of World Energy, IEA, Frost & Sullivan

Market Size Analysis of Global Natural Gas Industry

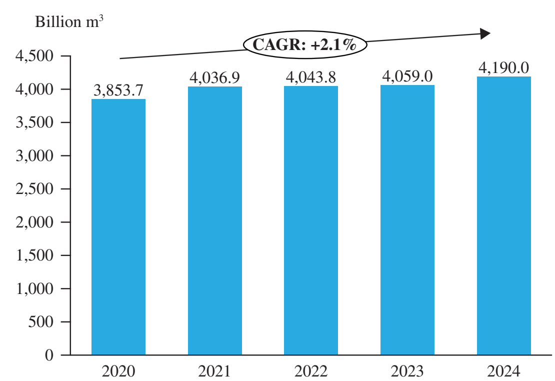
Global consumption volume of natural gas increased from approximately 3,822.8 billion m^3 in 2020 to approximately 4,212.0 billion m^3 in 2024, representing a CAGR of approximately 2.5%. The strategic position of natural gas in the global energy mix continues to strengthen, particularly in driving energy transition and reducing carbon emissions. The growing demand for clean energy in emerging economies is a major driver behind the expansion of global natural gas consumption. China is the world's third-largest natural gas consumer. In 2024, the consumption volume of natural gas in China reached 426.1 billion m^3, accounting for 10.1% of global consumption.

On the supply side, the global production volume of natural gas rose from approximately 3,853.7 billion m^3 in 2020 to approximately 4,190.0 billion m^3 in 2024, with a CAGR of approximately 2.1%. The production volume of natural gas in China grew from 192.5 billion m^3 in 2020 to 246.4 billion m^3 in 2024, achieving a CAGR of roughly 6.4%. China's import volume of natural gas increased from approximately 140.4 billion m^3 in 2020 to approximately 181.5 billion m^3 in 2024, with a CAGR of approximately 6.6%. In 2024, China's domestic production volume of natural gas and import volume of natural gas accounted for 57.6% and 42.4% of the total natural gas supply, respectively. To strengthen its energy self-sufficiency, China has been actively enhancing the development of unconventional natural gas resources while also investing in infrastructure and diversifying import channels.

Global Consumption Volume of Natural Gas, 2020-2024



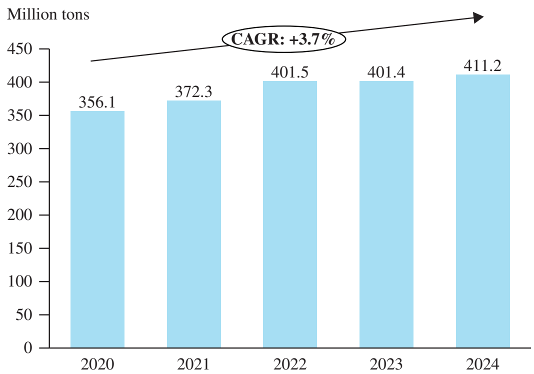
Global Production Volume of Natural Gas, 2020-2024



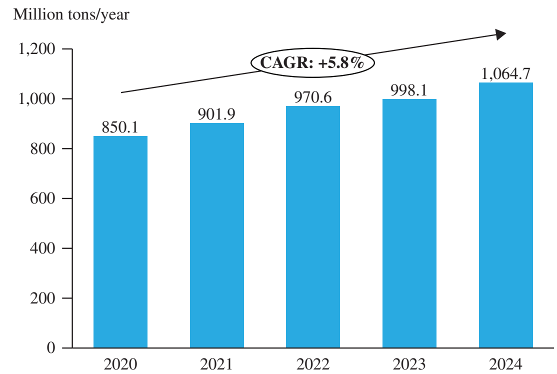
Source: IEA, Frost & Sullivan

LNG, with its liquid storage and transportation model, overcomes the geographical constraints, single-source supply, and limited peak-shaving capacity that associated with PNG, making it a key driver of global natural gas trade. Global production capacity of LNG increased from approximately 452.9 million tons in 2020 to approximately 494.4 million tons in 2024, with a CAGR of approximately 2.2%. Meanwhile, global trade volume of LNG grew from approximately 356.1 million tons in 2020 to approximately 411.2 million tons in 2024, reflecting a CAGR of roughly 3.7%. China has been at the forefront of this growth trend. The strong increase in China's LNG imports has been driven by steady industrial expansion, rising demand for gas-fired power generation, and growing LNG consumption in the freight sector. China remains the world's largest LNG importer, accounting for approximately 18.6% of global import volume of LNG in 2024.

Global Trade Volume of LNG, 2020-2024



Designed Processing Capacity of Global LNG Receiving Terminals, 2020-2024



Source: International Gas Union, Frost & Sullivan

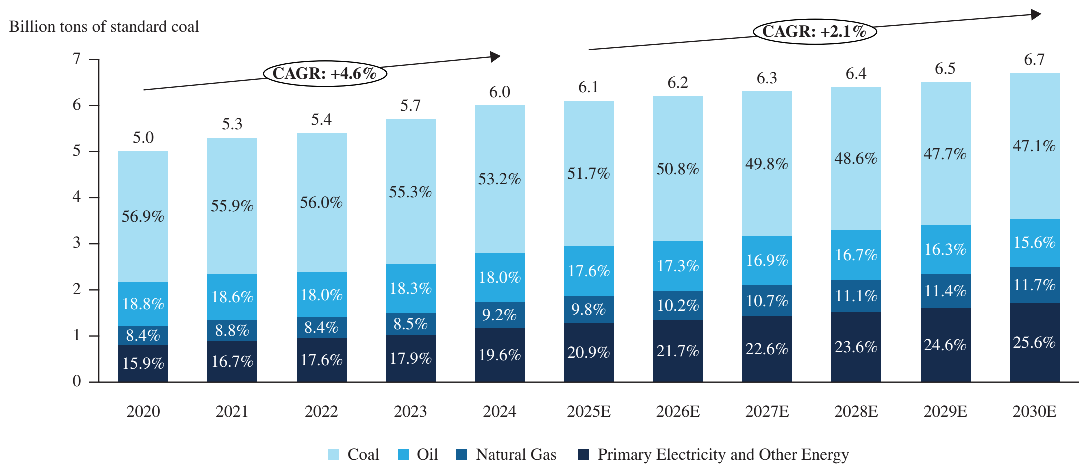
As the sole gateway for LNG imports, LNG terminals play a crucial role in the natural gas value chain, providing unloading, storage, regasification, and peak-shaving functions. They are considered as vital infrastructures for the natural gas industry. The global designed processing capacity of LNG receiving terminals increased from approximately 850.1 million tons/year in 2020 to approximately 1,064.7 million tons/year in 2024, representing a CAGR of approximately 5.8%. Driven by growing market demand and infrastructure investment across countries, the global designed processing capacity of LNG receiving terminals has continued to expand. In China, the designed processing capacity of LNG receiving terminals rose from approximately 82.3 million tons/year in 2020 to approximately 156.3 million tons/year in 2024, accounting for approximately 14.7% of the global designed processing capacity of LNG receiving terminals in 2024, making China the world's second-largest LNG receiving market. Over the past decade, China has added 21 new LNG receiving terminals, bringing the total number to 32 by 2024.

OVERVIEW OF CHINA'S NATURAL GAS INDUSTRY

Natural Gas Supports China's Clean Energy Transition

Since China announced its "dual-carbon" goals in 2020, the country has actively advanced its energy transition strategy, aiming to reduce dependence on fossil fuels. In 2024, China's primary energy mix consisted of approximately 53.2% coal, 18.0% oil, 9.2% natural gas, and 19.6% primary electricity and other energy. As the dual-carbon goals continue to drive energy policy, the share of clean energy is steadily increasing. By 2030, the proportion of coal, oil, natural gas, and primary electricity and other energy is projected to increase to approximately 47.1%, 15.6%, 11.7%, and 25.6%, respectively. As the "ballast stone" of national energy security, natural gas plays a vital role in China's energy strategy. In 2024, the "Energy Work Guidance" 《能源工作指導意見》 issued by the National Energy Administration ("NEA") explicitly calls for strengthening bottom-line safeguards for energy security, including natural gas, and highlights the growing role of natural gas in building a modern energy system.

China's Consumption Structure of Primary Energy, 2020-2030E

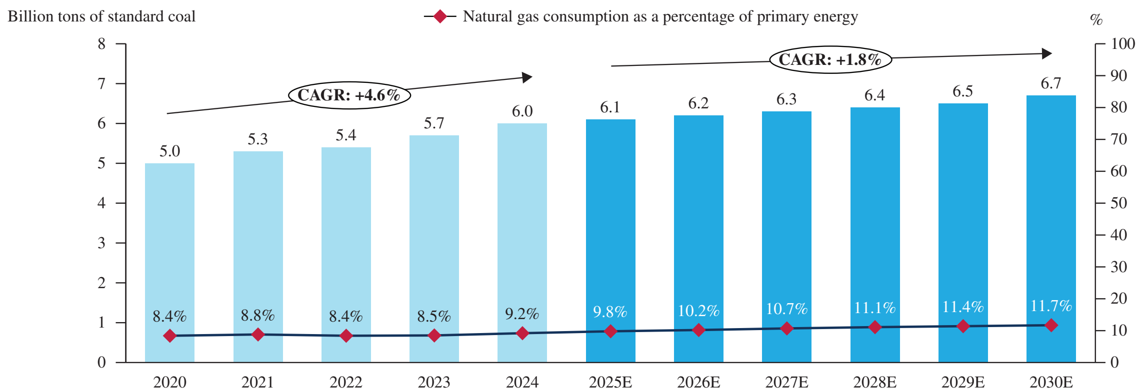


Source: National Bureau of Statistics, NEA, Frost & Sullivan

As a cleaner energy source with lower pollutant emissions and carbon intensity, natural gas is playing an irreplaceable role in China's efforts to combat climate change, optimize its energy structure, and protect environmental quality. It is not only a key transitional fuel to achieve China's "carbon peak by 2030" and "carbon neutrality by 2060" goals, but also part of the government's clearly defined strategic roadmap. In 2021, the "Action Plan for Carbon Peaking Before 2030" 《2030年前碳達峰行動方案》 issued by the State Council explicitly promotes the integrated development of natural gas with other energy sources and accelerates its substitution in critical sectors such as transportation, industry, and power generation. Thanks to its flexible supply, convenient storage and transportation, and wide applicability, natural gas has become an indispensable pillar and green engine of China's energy system.

In the critical phase of energy structure transformation, natural gas is emerging as a strategic clean energy source essential to both energy security and low-carbon development. As energy demand continues to rise, China's total consumption volume of primary energy increased from approximately 5.0 billion tons of standard coal in 2020 to approximately 6.0 billion tons in 2024, with a CAGR of approximately 4.6%. It is projected to reach approximately 6.7 billion tons by 2030, with a CAGR of approximately 1.8% from 2025 to 2030. During this period, the role of natural gas will become increasingly significant, with its share of primary energy consumption expected to reach approximately 11.7% by 2030, and total consumption volume of natural gas reaching approximately 600.8 billion m^3 in China, highlighting its strategic importance in driving a cleaner, low-carbon energy future.

China's Consumption Volume of Primary Energy and Share of Natural Gas, 2020-2030E



Source: National Bureau of Statistics, NEA, NDRC, Frost & Sullivan

Value Chain Analysis of China's Natural Gas Industry

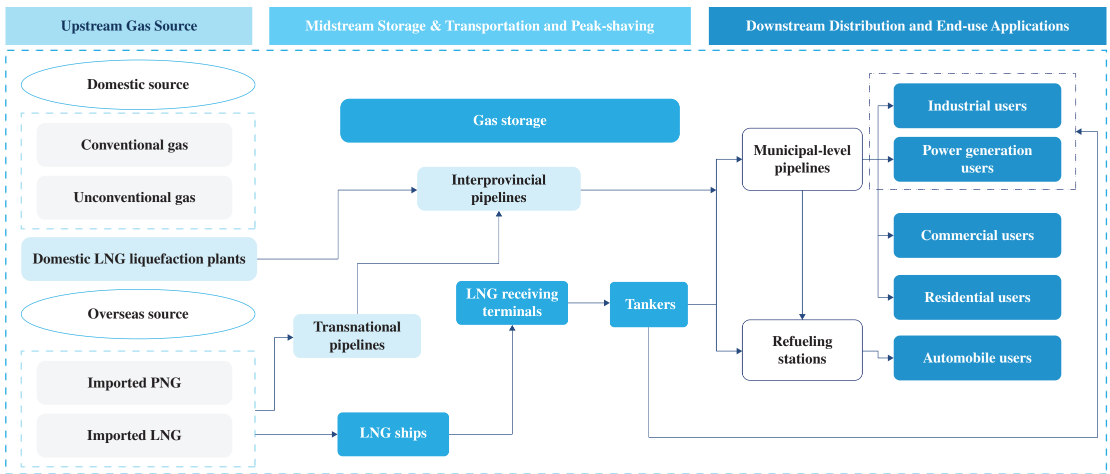
The natural gas industry chain in China primarily consists of three segments: 1) upstream gas sources, 2) midstream storage & transportation (pipelines, LNG receiving terminals, and gas storage facilities) and peak-shaving, and 3) downstream distribution and end-use applications across residential, industrial, commercial and power generation sectors.

The upstream segment focuses on gas sourcing, including both domestically produced gas and imported gas from overseas. Leading natural gas companies ensure long-term supply stability through diversified sourcing strategies, which involve partnerships with high-quality domestic suppliers and long-term contracts with stable overseas sources. This approach helps mitigate market and policy risks associated with reliance on a single supply channel while optimizing procurement costs.

The midstream segment covers the transportation and reception infrastructure for natural gas, such as pipeline transmission systems and LNG receiving terminals. This stage requires the development of efficient and secure transport networks to deliver natural gas swiftly and reliably from production areas to consumption regions.

The downstream segment involves the end-use applications of natural gas in various fields, including residential, industrial, commercial, power generation, and transportation uses. As demand for clean energy continues to grow and environmental policies become increasingly stringent, natural gas, recognized for its relatively low emissions and low carbon intensity, is seeing broader adoption. In this segment, leading companies with comprehensive sales, distribution, and service systems are not only able to ensure a stable gas supply but also enhance customer loyalty and offer additional value-added services.

Value Chain of China's Natural Gas Industry



Source: Frost & Sullivan

Alongside its rapid growth, China's natural gas industry has recently undergone a series of multi-dimensional changes. As the country deepens its oil and gas market-oriented reforms, the establishment of China Oil & Gas Pipeline Network Corporation in December 2019 marked a significant milestone. This move facilitated the formation of the "X+1+X" oil and gas market framework, characterized by diversified upstream resource supply, a unified and efficient midstream pipeline network, and a fully competitive downstream sales market, ushering the industry into a new development stage.

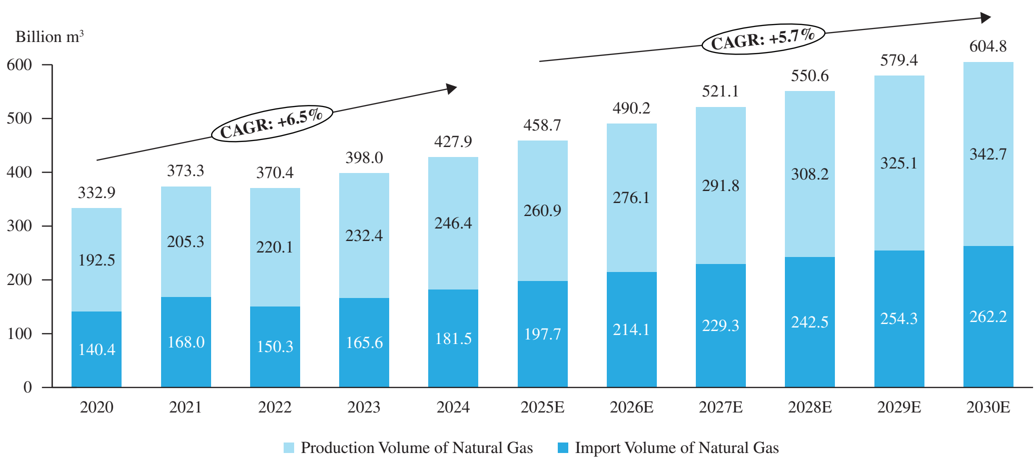
In a complex and dynamic environment, customer expectations for natural gas have become more demanding. They seek not only lower costs, stable supply, and flexible usage, but also greater autonomy in choosing suppliers. At the same time, the resource structure of the industry continues to improve, with both domestic gas production and LNG imports rising steadily. Natural gas companies are accelerating efforts to diversify their supply sources. Downstream consumption patterns are also shifting. Industrial demand and gas-fired power plant have emerged as new growth drivers, placing higher requirements on companies' gas supply coordination and cost control capabilities. China's natural gas industry is transitioning from a residential use-dominated phase to a new phase centered on demand for industrial & commercial, and power plant, with increased emphasis on cost efficiency and integrated resource management. Leading players in the industry are building competitive advantage by developing a full industry chain layout, diversifying upstream gas sources, operating midstream pipeline infrastructure, and enhancing downstream terminal services. These efforts aim to establish a flexible and efficient integrated operating system to strengthen competitiveness in the new development stage.

Market Size Analysis of China's Natural Gas Industry

- ***Upstream Gas Supply Scale Analysis***

China's natural gas market presents a diversified supply pattern. In 2024, China's total natural gas supply reached approximately 427.9 billion m^3, with a CAGR of approximately 6.5% from 2020 to 2024. Among them, China's production volume of natural gas was approximately 246.4 billion m^3, accounting for 57.6% of the total supply, while China's import volume of natural gas reached approximately 181.5 billion m^3, accounting for 42.4% of the total supply. This supply structure ensures a stable supply in the market. With the continuous advancement of the future energy transition and the growing demand for natural gas, China's total natural gas supply is expected to reach approximately 604.8 billion m^3 in 2030, of which domestic production volume of natural gas will increase to approximately 342.7 billion m^3, while import volume of natural gas will increase to approximately 262.2 billion m^3.

Total Natural Gas Supply in China, 2020 to 2030E



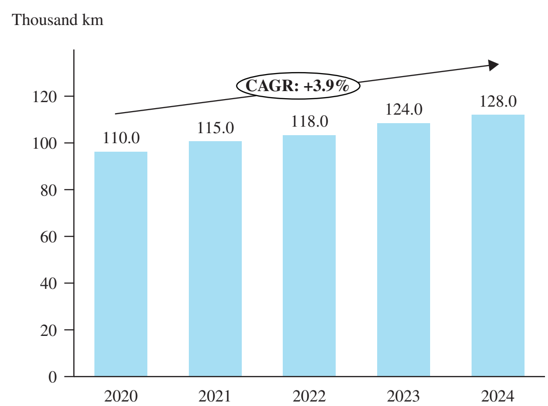
Source: General Administration of Customs of China, NEA, NDRC, Frost & Sullivan

From the perspective of import structure, China's natural gas imports mainly include LNG and PNG. In 2024, China's import volume of LNG reached approximately 105.6 billion m^3 and approximately 75.9 billion m^3, respectively. In terms of the distribution of natural gas import sources, Russia ranks the largest source of natural gas imports of China with a proportion of 23.2%, while Australia, Turkmenistan, Qatar, Malaysia and the United States account for approximately 19.9%, 19.3%, 13.9%, 5.8% and 3.2% respectively. Looking ahead, China's total import volume of natural gas will increase from approximately 197.7 billion m^3 in 2025 to approximately 262.2 billion m^3 in 2030 based on the optimization of energy consumption structure and the continuous improvement of market demand, providing strong support for the safety and stability of the energy supply system.

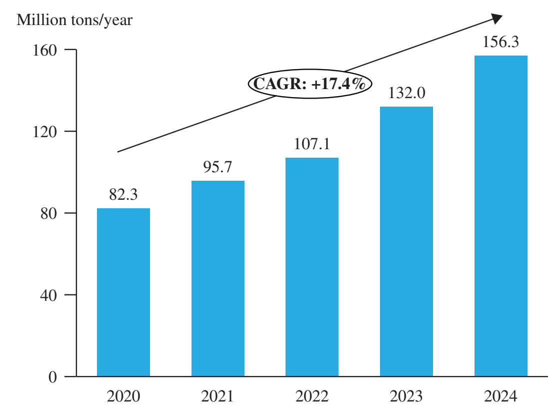
- ***Midstream infrastructure sizing analysis***

In recent years, the acceleration of China's natural gas-related infrastructure construction has provided a solid guarantee for the security of natural gas supply. The total length of China's long-distance natural gas pipelines increased from approximately 110.0 thousand km in 2020 to approximately 128.0 thousand km in 2024, with a CAGR of 3.9%, and its growth is mainly due to the deepening of the "one network" strategy of natural gas, such as the promotion of key projects such as the west-east gas transmission project and the China-Russia east-route. The designed processing capacity of China's LNG receiving terminals increased from approximately 82.3 million tons/year in 2020 to approximately 156.3 million tons/year in 2024, with a CAGR of approximately 17.5%. With the growing demand for natural gas in China, coastal LNG receiving terminals continue to be put into operation, and the total number of LNG receiving terminals in the country reached 32 in 2024. In addition, in terms of gas storage and peak shaving capacity, China's total gas storage and peak shaving capacity reached approximately 26.7 billion m^3 in 2024, which effectively alleviates the seasonal contradiction between supply and demand. The improvement of infrastructure not only improves the efficiency of resource allocation, but also reserves ample capacity for future consumption growth.

Length of Long-Distance Natural Gas Pipelines in China, 2020-2024



Designed Processing Capacity of LNG Receiving Terminals in China, 2020-2024

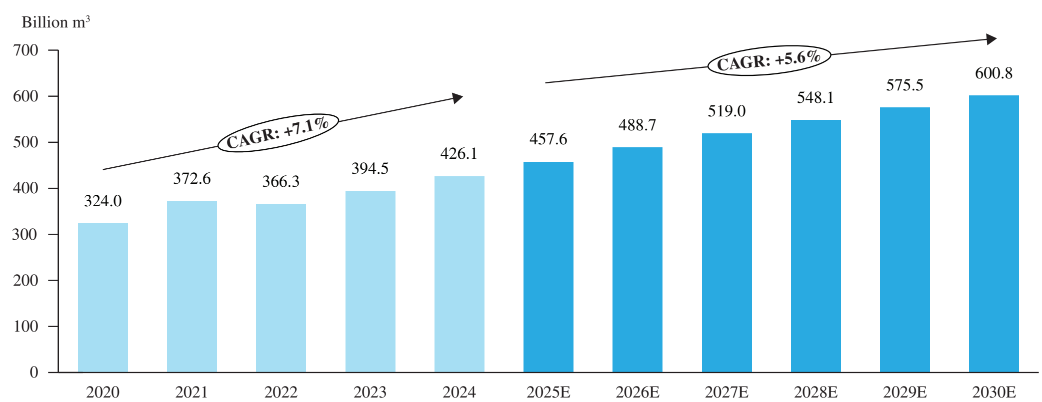


Source: NEA, NDRC, Frost & Sullivan

- ***Downstream Gas Sales Scale Analysis***

With the continuous improvement of China's natural gas supply side, the consumption volume of natural gas in China increased from approximately 324.0 billion m^3 in 2020 to approximately 426.1 billion m^3 in 2024, with a CAGR of approximately 7.1%. China's downstream natural gas consumption structure has shown a trend of shifting from relying on residential growth to industrial & commercial, and power plant growth. Industrial production and natural gas power generation have gradually become the main sources of new demand, especially driven by policies such as "coal-to-gas", industrial structure optimization and clean energy transformation, the proportion of industrial gas consumption continues to increase. According to the NEA, the proportion of natural gas used in industrial section in terms of consumption volume increased from approximately 37.0% in 2020 to more than 40.0% in 2024, and the proportion of natural gas used in power generation section in terms of consumption volume increased from approximately 16.0% in 2020 to more than 17.0% in 2024. The consumption volume of natural gas in China is expected to grow to approximately 600.8 billion m^3 in 2030. On the basis of ensuring the stability of gas supply and cost competitiveness, natural gas enterprises need to strengthen the overall planning ability of gas sources and the efficient allocation mechanism of resources, so as to better meet the needs of downstream industrial and commercial customers for gas supply flexibility, cost-effectiveness and comprehensive service capabilities, and adapt to the challenges and opportunities brought by the change of market demand structure.

Consumption Volume of Natural Gas in China, 2020-2030E



Source: NEA, NDRC, Frost & Sullivan

Note: The consumption volume of natural gas refers to the apparent consumption volume of natural gas.

Market Drivers Analysis of China's Natural Gas Market

The development of natural gas is an important cornerstone for achieving the "dual carbon" goal

The development of clean energy represented by natural gas is the core pillar of China's energy structure transformation. According to the National Bureau of Statistics, between 2014 and 2024, the proportion of natural gas in total primary energy consumption increased from approximately 6.3% to approximately 9.2%, which is crucial to promoting clean energy development. Compared with coal (accounting for approximately 53.2% of China's primary energy consumption in 2024), natural gas has a higher calorific value and lower emissions. At the same calorific value, the carbon emissions of natural gas are approximately 60.0% of that of coal and 75.0% of that of oil. At the same time, the emissions of nitrogen oxides and particulate matter from the combustion of natural gas are relatively low, and the environmental impact is minimal. Under the guidance of the "dual carbon" (carbon peak, carbon neutrality) goals, the development of natural gas plays a key role in bridging China's energy structure from fossil energy to renewable energy. In recent years, in order to achieve the established strategic goal of "dual carbon", China has successively issued a series of policies, most of which involve guidelines for accelerating the development of the natural gas industry. For example, in October 2021, the State Council issued the "Action Plan for Carbon Peaking Before 2030" 《2030年前碳達峰行動方案》, which mentioned the development of natural gas and related fields 11 times, including natural gas peaking power stations, to further ensure domestic gas, accelerate the integrated development of natural gas and multiple energy sources, and support the use of natural gas as fuel by vehicles, ships and other vehicles. In March 2022, the NDRC issued the "Implementation Guide for Energy Conservation and Carbon Reduction

Transformation and Upgrading in Key Areas of High Energy-Consuming Industries (2022 Edition)"《高耗能行業重點領域節能降碳改造升級實施指南(2022年版)》, emphasizing the need to strengthen the substitution of clean energy raw fuels, establish a supply support system for alternative raw materials, support qualified industrial enterprises (such as glass production enterprises) to implement natural gas and electrification transformation and upgrading, and promote the gradual shift of industry energy consumption to clean energy. In May 2024, the State Council issued the "Action Plan for Energy Conservation and Carbon Reduction from 2024 to 2025"《2024-2025年節能降碳行動方案》, which clearly and rationally controls coal consumption, guides natural gas consumption in an orderly manner, optimizes industrial energy institutions in industries including construction, and promotes "coal electrification". According to the NEA's plan, natural gas is expected to account for approximately 15.0% of the country's total primary energy consumption in 2030. To sum up, natural gas, as an important part of clean energy and an important bridge for the transformation of China's energy structure to renewable energy, will play a more important role in the dual carbon path by virtue of its low emission and high combustion efficiency advantages compared with traditional fossil energy such as coal and oil.

Natural gas has become a power source for industrial green upgrading

As a clean and efficient form of energy, natural gas is emerging as a pivotal energy source for China's industrial green upgrading. At the national level, policies to guide the adjustment of the energy structure in the industrial sector continue to be strengthened, promoting clean energy substitution measures such as "coal-to-gas" and "oil-to-gas", and improve the environmental protection standards and efficiency level of industrial energy use. In 2024, the "Measures for the Administration of Natural Gas Utilization"《天然氣利用管理辦法》issued by the NDRC, for the first time listed "peak-shaving power plant projects, natural gas combined heat and power projects, and natural gas hydrogen blending demonstration projects" as priority areas, and clearly promoted the development of natural gas substitution initiatives in industrial sectors such as building materials, electrical and mechanical equipment, light industry and textiles, petrochemicals, and metallurgy. These initiatives include: coal-to-gas conversion projects, oil-to-natural gas switching programs, LPG-to-natural gas replacement projects, and newly constructed natural gas-fueled facilities. As the world's most important manufacturing country, China has a large industrial base and strong growth. From 2020 to 2024, China's industrial added value grew from approximately RMB31.1 trillion to approximately RMB40.5 trillion, with a CAGR of approximately 6.8%, and the contribution of industry to GDP continues to remain stable at more than 30.0%. According to the United Nations, China's industrial output is expected to account for 45.0% of the global total by 2030. At the same time, the number of industrial enterprises above designated size in China has also increased from approximately 383.0 thousand in 2020 to approximately 512.0 thousand in 2024, with a CAGR of approximately 7.5%. With the tightening of energy conservation and emission reduction requirements in the industrial sector, the application of natural gas in the industrial field, especially in high-energy-consuming industries, will continue to deepen, effectively helping enterprises reduce carbon emission intensity and achieve cleaner production. At the same time, local governments are also guiding industrial users to transition to clean energy such as natural gas through supporting subsidies, infrastructure investment and price mechanism optimization. Driven by policy and market demand, natural gas is becoming an important supporting force for the green transformation of industry, and will play a more critical role in promoting the high-quality development of the manufacturing industry and achieving the goal of carbon neutrality.

Urbanization continues to drive the growth of residential gas demand

With the continuous acceleration of urbanization in China and the continuous expansion of urban scale, the construction of urban gas pipelines and related infrastructure has been continuously promoted, and the demand for natural gas end-use consumption has been continuously increased. According to the data of the National Bureau of Statistics, China's urbanization rate has increased from approximately 56.1% in 2015 to approximately 67.0% in 2024, and the urban population has increased by approximately 170.0 million, during which the length of China's natural gas pipelines has increased from approximately 498.0 thousand km to more than 1,050.0 thousand km, and the population of natural gas has increased from approximately 290.0 million to approximately 490.0 million. With the continuous improvement of urban population, gas, as a clean, efficient and convenient energy source, will become widely used in residential cooking, heating, hot water supply, etc., and the huge market demand will drive the continuous rise of urban gas demand in China. According to the National Bureau of Statistics and the NEA, China's total natural gas supply reached 427.9 billion m^3 in 2024, with a CAGR of 6.5% over the past five years. According to the "National Population Development Plan (2016-2030)" 《國家人口發展規劃(2016-2030年)》 issued by the State Council in 2016, it is expected that China's urbanization rate will reach 70.0% by 2030, which will continue to promote the steady growth of urban gas demand and the sustainable development of the industry, and it is estimated that China's total consumption volume of natural gas will reach approximately 600.8 billion m^3 by 2030.

Natural gas is the "ballast stone" of national energy security

As the "ballast stone" of national energy security, natural gas plays a key role in the national energy strategy. In 2024, the "Guiding Opinions on Energy Work" 《能源工作指導意見》 issued by the NEA clearly proposes to strengthen the guarantee of energy security, including natural gas, and promote natural gas to play a greater role in the construction of a new energy system. Looking ahead, the share of natural gas in primary energy consumption will continue to grow. The "Energy Production and Consumption Revolution Strategy (2016-2030)" 《能源生產和消費革命戰略(2016-2030)》issued by the NDRC and the NEA clearly sets out the goal of making natural gas account for 15.0% of China's total primary energy consumption by 2030. With the continuous growth of natural gas consumption demand, the supply pattern of the domestic natural gas market is gradually developing in a more diversified direction. In 2024, China's natural gas production volume was 246.4 billion m^3, accounting for 57.6% of the total supply, and was the main source of domestic supply, with China's natural gas import volume reaching 181.5 billion m^3, accounting for 42.4% of the total supply. Among them, LNG imports and PNG imports reached 105.6 billion m^3 and 75.9 billion m^3 in 2024, accounting for 58.2% and 41.8% of the total natural gas imports, respectively. LNG will continue to be the main category of natural gas imports due to its advantages in liquid storage and transportation, breaking through the geographical limitations of PNG. It is expected that the receiving and unloading capacity of LNG receiving terminals will be further enhanced in the future to meet the growing market demand. By the end of 2024, 32 LNG receiving terminals have been put into operation across the country, with an annual designed handling capacity of approximately 156.3 million tons/year. In addition, in 2024, the total length of China's long-distance natural gas pipelines exceeded 128.0 thousand km, building a widespread, stable and efficient pipeline transportation network. In 2024, China's total gas storage and peak shaving capacity reached approximately 26.7 billion m^3, which plays an important role in ensuring the security of natural gas supply and improving the flexibility of the system, especially when natural gas demand fluctuates in winter and summer, which can effectively alleviate the contradiction between seasonal supply and demand. On the whole, driven by continuous policy promotion, supply structure optimization and infrastructure improvement, China's natural gas industry is entering a new stage of high-quality development. Diversified gas sources ensure the security of supply, and the flexible and efficient storage and transportation system improves the efficiency of resource allocation, laying a solid foundation for the continuous increase of the proportion of natural gas in the national energy structure, and also providing strong support for the energy security strategy.

Development Trends Analysis of China's Natural Gas Market

Market Reform and Industry Consolidation

In recent years, China's natural gas price mechanism has undergone continuous deepening reforms, reflecting a stronger trend toward marketization. In 2023, "The Guiding Opinions on Establishing and Improving a linkage mechanism for the Upstream and Downstream Prices of Natural Gas" 《關於建立健全天然氣上下游價格聯動機制的指導意見》, issued by the NDRC, clearly required provinces and cities that had not yet established the price linkage mechanism to set deadlines for implementation, accelerating the establishment of the system. For those regions that had already implemented the mechanism, further refinements were encouraged based on the operational results, covering aspects such as the scope, cycle, method, procedures for linkage, market fair pricing, and the calibration of price deviations, along with the establishment of a sound price information disclosure system. At the same time, the structure of downstream natural gas consumption is gradually shifting towards industrial and power generation sectors. On January 1, 2024, the NDRC issued the "Circular on Appraising and Fixing Trans-Provincial Natural Gas Pipeline Transportation Prices" 《關於核定跨省天然氣管道運輸價格的通知》, aiming to create a unified pricing structure, eliminate segmentation between different pipelines, promote the interconnection of gas networks, and facilitate the free flow of natural gas resources. In addition, the "Measures (Regulations) for the Administration of Concession for Infrastructure and Public Utilities" 《基礎設施和公用事業特許經營管理辦法》 jointly issued by the NDRC and other five departments extend the concession period to 40 years, encouraging private enterprises to participate, thus promoting the large-scale consolidation of urban gas enterprises. Industry-leading private companies are gaining an advantage across the entire industry chain through diversified investments in upstream gas sources, midstream pipeline infrastructure operations, and downstream differentiated market services.

Digital Transformation and Technological Innovation

Digital technologies are reshaping the natural gas industry chain. In November 2024, the "Energy Law of the People's Republic of China" 《中華人民共和國能源法》, which was adopted by the Standing Committee of the National People's Congress, explicitly designated digitalization and intelligence as core directions for energy transformation. Various provinces and cities are promoting the informatization of exploration, development, and pipeline operations through policy initiatives. For example, Guizhou province has used big data technologies to enhance the safety of gas facilities, while regions like Sichuan and Guangdong emphasize the digital upgrade of pipeline networks and gas storage facilities in their 14th Five-Year Plan. At the enterprise level, industry leaders are leveraging artificial intelligence to optimize resource allocation, building intelligent natural gas platforms to hedge against market volatility and predict market trends. Additionally, demonstration projects for hydrogen blending in natural gas are exploring new models for hydrogen storage, transportation, and terminal applications. With the deeper integration of digital applications and technological innovation, the overall upgrade and development of the natural gas industry will be further propelled.

Green and Low-Carbon Transformation and Multi-Energy Complementation Deepen

The green low-carbon transformation and multi-energy complementarity are advancing rapidly, with increasing collaboration between natural gas and other energy sources. In 2024, the NDRC revised and issued the "Measure for the Administration of Natural Gas Utilization" 《天然氣利用管理辦法》, prioritizing the use of natural gas in projects such as "natural gas combined heat and power projects", "projects equipped with auxiliary fossil fuel combustion systems", and "integrated oil-gas-electricity-hydrogen energy supply projects, terminal natural gas-hydrogen blending demonstration projects, and other advanced business models for safe & efficient natural gas utilization". These initiatives are considered the priority areas for natural gas utilization. The "2024 Energy Work Guidance" 《2024年能源工作指導意見》 issued by the NEA further promotes low-carbon transformation in industrial parks, encouraging the adoption of green, efficient energy usage models such as integrated energy stations and source-grid-load-storage systems. The trend of natural gas companies transforming into comprehensive energy service providers is becoming increasingly evident. Leading companies in the industry are actively participating in the construction of green microgrids in industrial parks, promoting the integrated development of source-grid-load-storage integration, enhancing energy efficiency, and reducing carbon emissions.

Competitive Landscape of China's Natural Gas Market

By the end of 2024, China's companies had signed over 120.0 million tons of overseas LNG long-term contracts, with the top four companies accounting for 81.8% of the overall market share. The top three state-owned companies held 73.3% of the overseas LNG long-term contract market share. The Group has signed overseas LNG long-term contracts for approximately 10.2 million tons, accounting for 8.5% of the total market share, making it the largest private company in this segment in China.

Top 4 Companies in terms of Overseas LNG Long-term Contract Volumes (China), by the End of 2024

Ranking	Company	Overseas LNG Long-term Contract Volumes (Million Tons)	Market Share	Ownership Structure
1	Company A	35.1	29.2%	State-Owned Company
2	Company B	31.4	26.1%	State-Owned Company
3	Company C	21.6	18.0%	State-Owned Company
4	The Group	10.2	8.5%	Private Company
		Total	**81.8%**	

Source: Frost & Sullivan

Notes:

1. Established in 1983, Company A is a China-based company, specializing in vertically integrated operations across six core sectors: oil and gas exploration and development, refining and sales, natural gas power generation, renewable energy, and financial services.

2. Established in 1983, Company B is a China-based company, specializing in oil exploration, refining, sales, and renewable energy development.

3. Established in 1990, Company C is a China-based company, specializing in oil and gas exploration and development, refining and sales, renewable energy, and capital financial services.

As the sole entry point for LNG imports into China, LNG receiving terminal plays a critical role in the natural gas industry chain, providing unloading, storage, regasification, and peak-shaving functions. These LNG receiving terminals are vital infrastructure in the LNG supply chain. By the end of 2024, China's LNG receiving terminals had a total designed processing capacity of approximately 156.3 million tons/year. The Zhoushan LNG receiving terminal, owned by the Group, began construction in 2016 and officially commenced operations in 2018. It is the first large-scale LNG receiving terminal project approved by the NEA, which is invested by a private company. With an actual processing capacity of 7.5 million tons/year, the Zhoushan LNG receiving terminal is the largest private LNG receiving terminal in China in 2024.

Natural gas companies play a crucial role in providing a stable and sufficient supply of natural gas to meet the demands of residents and industrial enterprises. In 2024, the retail sales volume of top five city natural gas companies in China reached approximately 135.5 billion m^3 of natural gas, accounting for 31.7% of the total market share. Among them, the Group ranks third with retail sales volume of natural gas reaching approximately 26.2 billion m^3. At the same time, based on the retail sales volume of natural gas, the Group is the largest private city gas company in China in 2024. Moreover, in terms of total sales volume of natural gas, the Group was the largest private natural gas company in 2024 with 9.2% market share in China.

Top 5 City Gas Companies in terms of Retail Sales Volume of Natural Gas in China, 2024

Ranking	Company	Retail Sales Volume of Natural Gas (Billion m^3)	Market Share	Ownership Structure
1	Company D	39.0	9.1%	State-Owned Company
2	Company E	32.8	7.7%	State-Owned Company
3	The Group	26.2	6.1%	Private Company
4	Company F	22.0	5.2%	State-Owned Company
5	Company G	15.5	3.6%	Private Company
		Total	**31.7%**	

Source: Frost & Sullivan

Notes:

1. Established in 1994 and headquartered in China, Company D is listed on the Hong Kong Stock Exchange and primarily operates in the city gas business.

2. Established in 1991 and headquartered in China, Company E is listed on the Hong Kong Stock Exchange, with its main business focused on natural gas sales.

3. Established in 2002 and headquartered in China, Company F is listed on the Hong Kong Stock Exchange, specializing in city PNG (Piped Natural Gas), LPG (Liquefied Petroleum Gas), vehicle and vessel fuels, and distributed energy.

4. Established in 2001 and headquartered in China, Company G is listed on the Hong Kong Stock Exchange, with operations covering city gas, water utilities, and other sectors.

Price Analysis of China's Natural Gas Market

Global natural gas prices are driven by multiple factors, including supply and demand dynamics, macroeconomic conditions, and geopolitical. On the resource side, global natural gas prices are impacted by fluctuations in upstream supply volumes, the development costs of unconventional gas (such as shale gas), LNG liquefaction and long-distance transportation costs, as well as geopolitical tensions. On the sales side, hub market prices such as the U.S. Henry Hub, Europe's TTF, and Asia's JKM serve as global pricing references and are highly dependent on seasonal fluctuations driven by winter heating demand and inventory levels. Furthermore, global macroeconomic trends and adjustments in national energy policies also play a significant role in determining natural gas price trends.

In China, the main factors influencing natural gas prices include ex-plant price of natural gas and pipeline transmission costs, which are also impacted by macroeconomic conditions. On the resource side, domestic gas field development costs and import costs dominate supply prices. By enhancing the development of both conventional and unconventional gas (such as shale gas, tight gas, etc.), China's market continues to optimize its domestic supply structure. As for imports, fluctuations in international LNG spot prices are directly transmitted to the domestic market. On the sales side, city natural gas prices consist of three components: the national city gate price, pipeline transmission price, and urban distribution price. The national gate station price is managed by the NDRC, which follows a "base price + floating range" pricing management method. The pipeline transmission price is set by provincial development and reform commissions, while the urban distribution price is determined by the price regulatory authorities at the municipal or county level. After the gas passes through the gate station, it is purchased by city gas companies and then distributed to end-users through the distribution pipeline network.

The retail prices for residential and non-residential users are typically composed of the city gate price plus pipeline transmission costs, and are further constrained by local government-imposed price caps or fixed pricing measures. When setting natural gas guide prices, local governments consider factors such as the city gate price, pipeline transportation costs, and downstream gas demand. Typically, local governments require a tiered pricing system for residential users, while non-residential users are subject to government-imposed maximum sales prices for non-residential consumers. Starting in 2023, a national upstream and downstream price linkage mechanism has been gradually implemented. When city gas companies negotiate sales prices with non-residential users, they must consider factors such as procurement prices, maximum sales prices, user consumption volumes, and user types. The procurement prices and sales prices of city gas companies are linked, showing similar trends in fluctuations.

Barrier Analysis of China's Natural Gas Market

The natural gas industry in China presents significant entry barriers, which include resource acquisition, infrastructure, franchise and policy permit, credit ratings, ESG and safety management, and capital investment. The high concentration of upstream resources makes it difficult for new entrants to secure stable gas supplies. Midstream infrastructure requires substantial investment, long development cycles, and stringent approvals, creating market entry obstacles for new entrants. The downstream market often falls under public services with franchise operation granted by local governments, preventing non-licensed companies from competing effectively. Additionally, international suppliers prefer to collaborate with large enterprises with good credit, making it challenging for new entrants to secure long-term agreements due to their lack of performance records. The high standards for ESG and safety management further elevate the competitive threshold. Moreover, the capital-intensive nature of the entire industry chain demands strong financing capabilities, posing a significant challenge for new entrants with insufficient financial strength. These barriers collectively hinder new companies from establishing and growing in the market.

OVERVIEW OF CHINA'S INTEGRATED ENERGY INTELLIGENT MANAGEMENT SOLUTION INDUSTRY

Definition and Importance Analysis of Integrated Energy Intelligent Management Solution

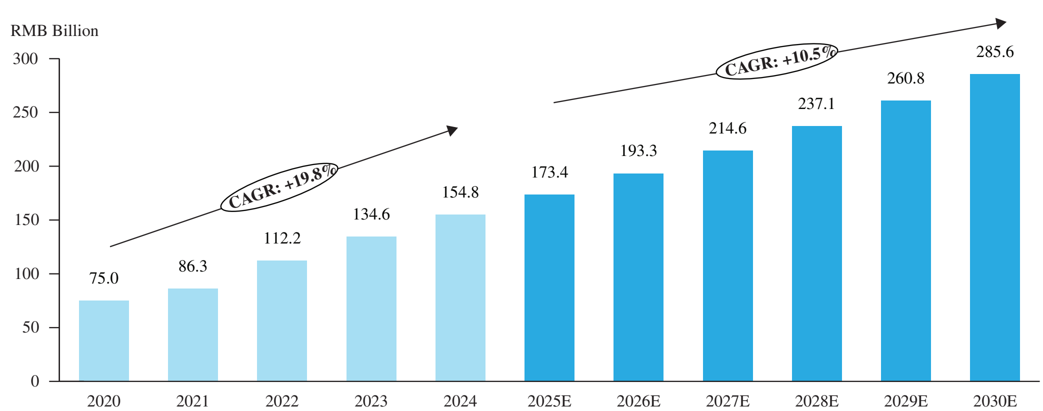
Based on energy production and storage, integrated energy intelligent management solution industry achieves multi-energy complementarity, precise supply-demand matching, and efficient energy utilization through intelligent technologies. Core of this solution lies in integrating various energy forms such as gas, electricity, water, cooling, and heating, combined with digital and intelligent tools (such as virtual power plants and smart microgrids), to provide energy consumers with comprehensive smart energy solutions and management platforms. This balances and expands the supply and consumption relationship of energy, effectively connects the entire chain of "source-grid-load-storage", helps reduce energy costs, and promotes low-carbon transformation.

Core pain points currently faced by enterprises in energy use are how to achieve scaled and efficient energy management. At the system level, the coexistence of multiple energy types and complex energy-consuming equipment makes monitoring and control difficult, and the details of energy flow and consumption are hard to accurately grasp. At the data level, scattered data lacks in-depth analysis, making it impossible to support efficient energy planning and the formulation of energy-saving strategies, easily leading to low energy efficiency and increased costs. At the operational level, traditional management methods relying on manual experience are difficult to adapt to dynamic load changes and the needs of multi-energy complementarity, seriously hindering the improvement of energy efficiency. With the popularization of new energy consumption models such as distributed energy and microgrids, the lack of system-wide collaborative scheduling and global optimization capabilities will become increasingly prominent. Simultaneously, existing solutions mostly focus on specific areas such as photovoltaics and energy storage, lacking a collaborative and integrated platform covering the entire "source-grid-load-storage" link, resulting in high system integration costs, long implementation cycles, and low operational efficiency. Thus, there creates an urgent need for one-stop energy service solution to meet users' demands for clean, reliable, economical, and efficient energy.

Market Size of Integrated Energy Intelligent Management Solution Industry in China

Driven by the "dual carbon" goals, six departments including the Ministry of Industry and Information Technology (MIIT) jointly issued the "Industrial Energy Efficiency Improvement Action Plan" 《工業能效提升行動計劃》 in 2022, proposing that by 2025, the energy consumption per unit of added value of industrial enterprises above a designated size will decrease by approximately 13.5% compared to 2020. As the sensitivity of comprehensive energy costs in industrial parks increases, the energy consumption model is gradually shifting from a single energy supply to a multi-energy complementary system, and further transitioning towards a future AI-intelligent energy consumption model. China's integrated energy intelligent management solutions precisely meet the urgent needs of industrial and commercial users for energy cost reduction and efficiency improvement, as well as refined management. Its market size has grown rapidly from approximately RMB75.0 billion in 2020 to approximately RMB154.8 billion in 2024, with a CAGR of approximately 19.8%. In the future, with breakthroughs and intelligent upgrades in integrated energy intelligent management solution technologies, the market will show a diversified and ecological development pattern. The market size is expected to continue to grow from approximately RMB173.4 billion in 2025 to approximately RMB285.6 billion in 2030, with a CAGR of approximately 10.5%.

Market Size of Integrated Energy Intelligent Management Solution Industry in China, 2020-2030E



Source: Frost & Sullivan

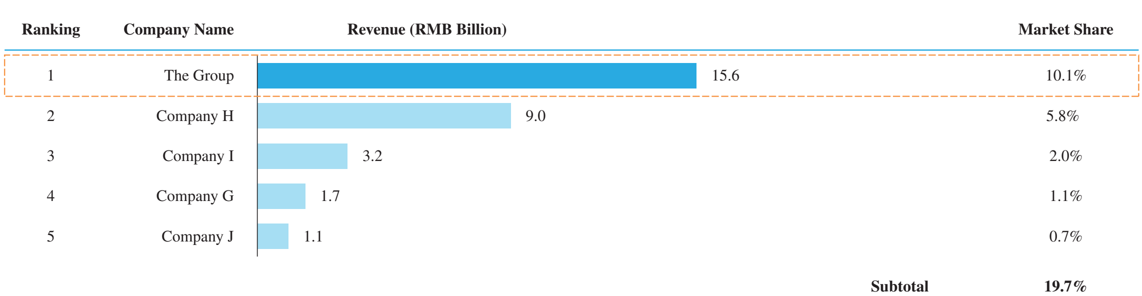
Growing demand for efficient energy utilization across diverse scenarios, driven by the continued advancement of the "carbon peaking and carbon neutrality" strategic goals, has placed higher requirements on "clean, efficient, and visualized" energy management for various energy-consuming settings. Integrated energy intelligent management solutions are rapidly penetrating into scenarios including factories, industrial parks, public buildings, commercial complexes, and other applications. China's MIIT disclosed that by 2024, the national level had cumulatively cultivated 6,430 green factories and 491 green industrial parks. In the future, providers of integrated energy intelligent management solutions will continuously improve the economics of energy use and the level of management refinement through multi-energy synergy and intelligent means, meeting the multiple demands of factories, industrial parks, and other customers for low-cost, high-efficiency, and controllable energy management and utilization.

Competitive Landscape of Integrated Energy Intelligent Management Solution Industry in China

Participants of integrated energy intelligent management solutions industry in China include gas companies, power companies, and engineering design institutes. Gas companies possess stronger capability for system implementation and customer stickiness due to their resource control advantages over core energy sources and their mature operational experience in multi-energy synergy projects such as combined cooling, heating, and power, providing them significant competitive edge in the industry. Electrical companies rely on their power system foundation and intelligent control technologies, with multi-energy integration and management capabilities. Engineering design institutes, leveraging their system planning and engineering integration capabilities, can promote the integration and implementation of multi-energy systems from a top-level design perspective. In addition, traditional primary energy companies have natural advantages in extending their businesses into the integrated energy intelligent management field. On the one hand, these companies possess deep customer base and broad end-use network, which can serve as the foundation for promoting integrated energy solutions. On the other hand, having accumulated in-depth understanding of energy system operation rules, user demand characteristics, and the policy environment through long-term energy supply, combined with their expertise in key technologies such as energy conversion, transmission, distribution, and regulation, they can efficiently integrate various energy resources, achieving a strategic leap from "single energy supply" to "multi-energy collaborative services".

In 2024, the top five companies in China's integrated energy intelligent management solutions market accounted for a total market share of approximately 19.7%. Our group ranked first with approximately RMB15.6 billion in revenue, holding a market share of approximately 10.1%. In the future, integrated energy intelligent management solution providers with cross-energy type, cross-digital technology, and cross-business model service capabilities will firmly hold leading positions in the industry.

Ranking of Integrated Energy Intelligent Management Solution Providers in China, by Revenue, 2024



Source: Frost & Sullivan

Notes:

1. Company H, established in 2013 and headquartered in China, is a private company providing integrated energy service planning and design, system integration, and other services.

2. Company I, established in 2010 and headquartered in China, is listed on the Shenzhen Stock Exchange and offers one-stop comprehensive energy-saving and energy services.

3. Company J, established in 2003 and headquartered in China, is listed on the Shenzhen Stock Exchange, providing integrated energy efficiency management system solutions.

OVERVIEW OF CHINA'S SMART HOME INTEGRATED SOLUTION INDUSTRY

Definition of the Smart Home Integrated Solution

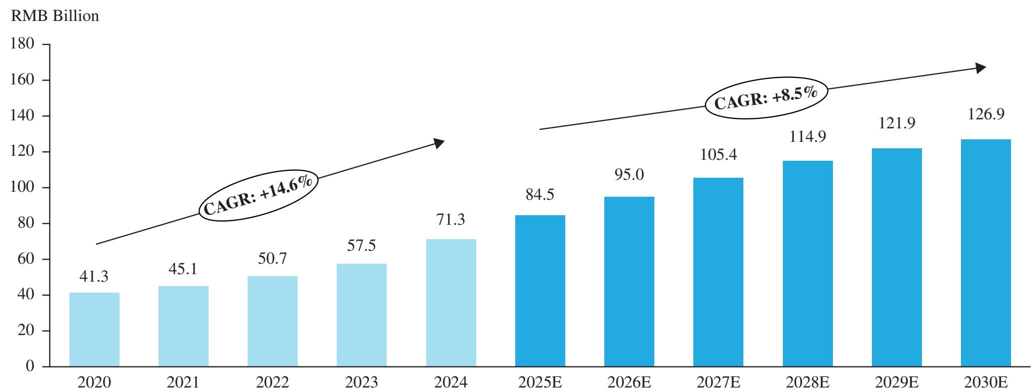
The smart home integrated solution is centered on the needs of the smart living scenarios, including smart kitchen appliances, environmental sensing and detection devices, and incorporates related services and other smart home devices and IoT products, thus forming a comprehensive household IoT solution. Focusing on core home scenarios such as home security, smart kitchens, and the home environment, the solution integrates technologies including AI-based security, intelligent sensing, remote monitoring, and energy efficiency management, providing a full-chain, closed-loop experience from products to services.

Market Size of China's Smart Home Integrated Solution Industry

Driven by the continuous evolution and deep integration of technologies such as AI, the IoT, and 5G, China's smart home products have progressed from single-appliance control to fully integrated, scenario-based intelligence. Leveraging AI-powered deep learning algorithms and edge computing technologies, devices can accurately perceive user behaviors, environmental parameters, and energy consumption. Through multimodal interactions (such as voice and vision), these devices enable automatic interconnection and remote control.

At the same time, rising consumer demand for higher-quality living has fueled rapid growth in smart services extending from various home scenarios. The market size of China's smart home integrated solution industry is projected to grow from approximately RMB84.5 billion in 2025 to approximately RMB126.9 billion by 2030, representing a CAGR of approximately 8.5%.

Market Size of Smart Home Integrated Solution Industry in China, 2020-2030E



Source: Frost & Sullivan

China's smart home integrated solution industry is rapidly transitioning from isolated products to intelligent, scenario-based ecosystems that integrate AI, services, and interconnectivity across homes, communities, and cities. Driven by rising urbanization and income levels, consumer demand is shifting toward personalized, health-conscious, and low-carbon lifestyles, accelerating the adoption of comprehensive smart living systems. Government support is a key driver, with strategic policies in 2024 offering financial incentives, infrastructure upgrades, and regulatory innovations that reduce smart upgrade costs and promote value-added services. Concurrently, rapid advancements in AI, AIoT, edge computing, and cloud-edge-device architecture are enhancing the intelligence, responsiveness, and efficiency of smart home integrated solutions. These technologies enable real-time risk detection, personalized services, and deeper integration into everyday life, driving the industry's evolution toward a user-centered, high-quality, and sustainable development model.

Competitive Landscape Analysis of China's Smart Home Integrated Solution Industry

In China's smart home integrated solution industry, competition is evolving toward a model characterized by specialized market segments and differentiated strategies. Traditional kitchen appliance manufacturers, leveraging their brand equity and product strengths in the kitchen appliance sector, are expanding into the broader smart home space. By building intelligent ecosystems centered around the kitchen, they are creating product layouts where kitchen appliances serve as the core, driving interconnected smart solutions throughout the entire home. In contrast, the Group, positioned as a leading enterprise with energy as its core competency, has cultivated a differentiated development path focused on residential energy management. This focus extends beyond the home into smart community and smart city applications.

Source of Information

We commissioned Frost & Sullivan to conduct market research on global and China's natural gas industry, China's integrated energy intelligent management solution industry and China's smart home integrated solution industry, and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB422,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data and considered the key industry drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating critical market elements investigated during the research phase of the project. These elements primarily include forecasting methodology based on expert opinions, integration of market drivers and restraints, market challenges, market engineering measurement trends and econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment around the globe and within mainland China is likely to remain stable in the forecast period; and (ii) related key industry drivers are likely to drive the market in the forecast period.

The following sets forth a summary of the significant laws and regulations that affect our business in the PRC. Information contained below shall not be construed as a comprehensive summary of laws and regulations applicable to us.

MAJOR REGULATORY AUTHORITIES

As an A-share listed company in the energy sector, we have a business scope covering natural gas sales, infrastructure operations, integrated energy business, value-added business, engineering construction and installation and energy production. In addition to being subject to general regulatory supervision by the competent authorities over companies within the PRC, our industry regulators include the NDRC, the National Energy Administration and the MOHURD.

The NDRC is responsible for advancing sustainable development strategies and coordinating comprehensive efforts on energy conservation and emission reduction. It organizes the formulation of plans and policy measures related to the development of a circular economy, society-wide energy resource conservation, and integrated utilization, and coordinates their implementation. Furthermore, the NDRC participates in the preparation of ecological construction and environmental protection plans, coordinates major issues in relation to ecological construction, energy resource conservation, and integrated utilization, and comprehensively coordinates work related to the environmental protection industry and the promotion campaigns for clean production. As stipulated by the State Council, the NDRC is responsible for managing the National Energy Administration.

The National Energy Administration is responsible for: (i) drafting laws, regulations and rules concerning energy development and related supervision and management for review, formulating and implementing energy development strategies, plans and policies, advancing energy system reforms, formulating related reform plans, and coordinating major issues in energy development and reform; (ii) organizing the formulation of industrial policies and related standards for energy sources such as coal, oil, natural gas, electricity, new energy, and renewable energy, as well as for oil refining, coal-to-fuel and fuel ethanol; approving, ratifying, and reviewing fixed-asset investment projects in the energy industry within the scope of authority stipulated by the State Council; and guiding and coordinating rural energy development; (iii) organizing the advancement of major energy equipment research and development and related major scientific research projects, guiding energy technological progress and the introduction, digestion, and innovation of complete sets of equipment, organizing and coordinating relevant major demonstration projects and promoting the application of new products, technologies and equipment; (iv) overseeing energy conservation and comprehensive resource utilization in the energy industry, participating in researching and proposing recommendation on targets for total energy consumption control, guiding and supervising work related to total energy consumption control and aligning energy production and construction with the supply-demand balance.

The MOHURD is responsible for researching, formulating, and guiding the implementation of urban construction policies and plans; overseeing the development, safety, and emergency management of urban municipal public facilities; supervising and managing the construction market and guiding national construction activities; formulating development strategies, medium- and long-term plans, reform programs, industrial policies, and regulations for the engineering construction, construction industry, and surveying and design sectors, as well as supervising their enforcement; assuming responsibility for the quality and safety supervision of construction projects; promoting building energy efficiency and urban emission reduction; jointly formulating policies and plans for building energy efficiency with relevant departments and supervising their implementation; organizing major building energy efficiency projects; and advancing urban emission reduction efforts.

MAJOR POLICIES RELATED TO CHINA'S NATURAL GAS INDUSTRY

In accordance with the Opinions on Accelerating the Utilization of Natural Gas (《加快推進天然氣利用的意見》) jointly issued by the 13 ministries including the NDRC, the Ministry of Science and Technology of the PRC, the MIIT and the MOF on June 23, 2017, natural gas will gradually be developed as one of the major energy sources in China's modern clean energy system, and efforts will be made to increase the proportion of natural gas in primary energy consumption to approximately 15% by 2030, forming an underground natural gas storage with effective working gas capacity of over 35 billion cubic meters.

In accordance with the Certain Opinions on Facilitating the Coordinated and Steady Development of Natural Gas (《關於促進天然氣協調穩定發展的若干意見》) issued by the State Council on August 30, 2018, the upstream, midstream, and downstream sectors of the natural gas industry should be developed in a coordinated way so as to build a production, supply, storage and sale system of natural gas that is based on domestic resources, with diversified sources of imports, perfect deployment of pipeline network, well-matched storage and peak-shaving, reasonable usage structure, safe and reliable operation. Furthermore, the natural gas development plan shall be implemented so as to speed up the construction of capacity and major infrastructure projects of natural gas, while more efforts shall be made to undertake domestic exploration and development, make full use of such clean energies as natural gas, and promote the replacement of coal by multiple channels and means.

According to the Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives for 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) issued by the National People's Congress (the "**NPC**") on March 12, 2021, industry players shall adhere to a domestic focus, address weaknesses, ensure diversified supply, strengthen reserves, improve the production-supply-storage-sales system, and consolidate the domestic production base, thereby maintaining stable and increased production of crude oil and natural gas. There shall be proper planning, positioning and regulation for strategic coal-to-oil-and-gas production bases. Furthermore, oil and gas import sources shall be diversified, safeguarding the security of strategic channels and key nodes.

In accordance with the Action Plan for Carbon Dioxide Peaking Before 2030 (《2030年前碳達峰行動方案》) issued by the State Council on October 24, 2021, guidance will be given on natural gas consumption in an orderly manner, and the structure of utilization will be optimized with priority being given to ensuring the gas supply for the livelihood of its people. It also states that integrated development of natural gas and various energy sources will be vigorously promoted by building power stations for adjusting the peak of natural gas consumption according to local conditions, and guidance will be given on gas consumption for industrial purposes and chemical raw materials in a reasonable manner by supporting the use of LNG as fuel for vehicles and vessels.

In accordance with the 14th Five-Year Plan for Modern Energy System (《「十四五」現代能源體系規劃》) announced by the NDRC and the National Energy Administration on January 29, 2022, natural gas production will reach over 230 billion cubic meters by 2025, and natural gas storage and regulation capabilities shall be enhanced, with a national centralized storage capacity of 55 to 60 billion cubic meters by 2025, accounting for approximately 13% of natural gas consumption. Steady progress shall be made in the market-oriented reform of natural gas pricing.

According to the Opinions on Accelerating the Construction of a Unified National Market (《關於加快建設全國統一大市場的意見》) issued by the Central Committee of the Communist Party of China and the State Council on March 25, 2022, a unified national energy market shall be established. Under the premise of effectively ensuring energy security, and in line with achieving the carbon peak and carbon neutrality targets, the establishment of the national energy market will be promoted in an orderly manner. Based on coordinated planning and optimized strategic positioning, a comprehensive oil and gas futures product system will be improved, the construction of oil and gas trading centers will be standardized, and the strategic deployment of key infrastructures such as trading venues and delivery warehouses will be optimized. The interconnection of oil and gas pipeline facilities will be promoted, ensuring fair access for all market participants. The market-oriented reform of natural gas will be steadily advanced, accelerating the establishment of a unified natural gas energy measurement and pricing system.

In accordance with the Action Plan for Continuous Improvement of Air Quality (《空氣質量持續改善行動計劃》) issued by the State Council on November 30, 2023, efforts will be further intensified in developing new energy and clean energy. By 2025, non-fossil fuel energy consumption shall account for approximately 20% of end-use energy consumption, while electricity shall account for approximately 30%. With natural gas production and supply continuing to increase, new natural gas will be prioritized to guarantee residential living and clean heating needs.

According to the Guiding Opinions on Energy Work in 2024 (《2024年能源工作指導意見》) issued by the National Energy Administration on March 18, 2024, efforts will continue to promote clean energy substitution in key sectors; reforms of the oil and gas market system will be deepened; and energy governance effectiveness will be constantly enhanced.

According to the Measures for the Management of Natural Gas Utilization (《天然氣利用管理辦法》) issued by the NDRC on June 3, 2024, which took effect from August 1, 2024, for the utilization of natural gas, market players shall adhere to the synergy of the production, supply, storage and marketing systems, and the balanced and orderly development of supply and demand. Market players shall insist on adopting measures tailored to the local conditions and based on actual circumstances, so as to safeguard people's livelihood, priorities and development. By persisting in the green and low-carbon principles, market players will promote the active role of natural gas in the construction of a new energy system.

PRC LAWS AND REGULATIONS RELATING TO GAS BUSINESS CONCESSION

According to the Measures for the Administration on the Concession of Municipal Public Utilities (《市政公用事業特許經營管理辦法》) issued by the MOHURD on March 19, 2004, which took effect from May 1, 2004 and was latest revised and implemented on May 4, 2015, the urban gas industry may legally operate under concession arrangements. The competent departments of municipal public utilities under the people's governments at the municipality, municipal and county levels are responsible, under authorization from the people's government, for the specific implementation of the concession of municipal public utilities within their administrative regions.

According to the Measures for the Administration of Concession for Infrastructure and Public Utilities (《基礎設施和公用事業特許經營管理辦法》) jointly issued by the NDRC, the MOF, the MOHURD, the Ministry of Transport of the People's Republic of China (the "**Ministry of Transport**"), the Ministry of Water Resources of the People's Republic of China, and the People's Bank of China on April 25, 2015, which took effect from June 1, 2015, and was latest revised on March 28, 2024 and implemented from May 1, 2024, entities engaged in urban gas business are required to obtain the concession right within the business operation area. Local people's governments at all levels are authorized by law and regulations to designate relevant industry authorities, public institutions, or other entities as implementing agencies for infrastructure and public utility concession projects. These agencies are responsible for the preparation, implementation, and supervision of such projects, with their specific authorization scope and powers clearly defined.

PRC LAWS AND REGULATIONS RELATING TO GAS OPERATION LICENSING

Pursuant to the Regulation on the Administration of Urban Gas (《城鎮燃氣管理條例》) promulgated by the State Council on October 19, 2010, which took effect from March 1, 2011 and was latest revised and implemented on February 6, 2016, the government implements a licensing system for gas operation. Enterprises that are eligible for engaging in gas operation activities shall obtain a gas operation license issued by the gas administration department of the local people's government at or above the county level. Enterprises engaged in gas operation activities shall meet the following conditions: (i) meeting the requirements of the plans for gas development; (ii) having stable gas sources and gas facilities meeting the national standards; (iii) having a fixed place of business, a complete safety management system and a well-established operation plan; (iv) the principal, work safety manager and the operation, maintenance and repair personnel of enterprises being professionally trained and qualified in evaluation; and (v) meeting other requirements prescribed by laws and regulations. An enterprise engaged in gas business operations without obtaining a gas business license, or gas operators who fail to conduct their business in accordance with the provisions of the gas business license, shall be subject to orders for rectification within a prescribed time limit, fines, confiscation of illegal income, revocation of the gas business license, or investigation of criminal liability.

According to the Administrative Measures for Gas Operation Licensing (《燃氣經營許可管理辦法》) promulgated by the MOHURD and implemented on November 19, 2014, and most recently revised and implemented on March 11, 2019, any entity engaged in gas business operations shall obtain a gas operation license in accordance with the law and operate within the scope specified in the license. The MOHURD shall provide guidance on gas business licensing management nationwide. The gas administration departments of local people's governments at the county level or above shall be responsible for gas operation licensing management within their respective jurisdictions. Gas operation licenses shall be issued by the gas administration departments of local people's governments at the county level or above, and the specific licensing department shall be determined in accordance with local regulations at the provincial level, rules and regulations or decisions of provincial people's government.

PRC LAWS AND REGULATIONS RELATING TO PRICING OF NATURAL GAS

Pursuant to the PRC Pricing Law (《中國價格法》) promulgated by the Standing Committee of National People's Congress (hereinafter referred to as "**SCNPC**") on December 29, 1997, which took effect from May 1, 1998, the government implemented and gradually optimized the pricing mechanisms mainly formed by the market under the macro-economic control policies. Price setting shall comply with the law of value. Most merchandise and services shall adopt the market price. Only very few merchandise and services are priced according to government guidance or priced by the government. The government may enforce government-guided prices or government-set prices when necessary for the prices of the following commodities and services: (i) the prices of an extremely small number of commodities vital for the development of the national economy and people's life; (ii) the prices of a small number of commodities the resources of which are rare or short; (iii) the prices of commodities under natural monopoly management; (iv) the price of essential utilities; and (v) the prices of essential non-profit services. Except for prices subject to government-guided prices or government-set prices as stated above, for the pricing of merchandise and services, merchandise and services could be priced according to the market price, which is set by operators in accordance with regulations.

According to the Central Pricing Catalog (《中央定價目錄》) issued by the NDRC on October 8, 2015, which took effect from January 1, 2016, and was revised on March 13, 2020 and implemented from May 1, 2020, the gateway station price of natural gas has been removed from the catalog. The gateway station prices for imported pipeline natural gas commissioned after 2015 and for natural gas in provinces with competitive conditions are determined by the market.

According to the Guidance on Strengthening the Regulation of Gas Distribution Prices (《關於加強配氣價格監管的指導意見》) issued and implemented by the NDRC on June 20, 2017, gas distribution prices refer to the prices for urban gas pipeline network distribution and shall be strictly regulated by the government. Gas distribution prices are determined based on the principle of "permitted costs plus reasonable returns", where the gas distribution prices are set by approving the permitted costs of urban gas enterprises, regulating permitted returns, and determining the annual permitted total revenue after taxes and other factors are taken into consideration. The annual permitted total revenue is determined by the sum of permitted costs, permitted returns, and taxes, less the net income from other business operations. The net income from other business operations refers to the net revenue generated by the enterprise that utilizes assets and manpower related to gas distribution business for its engagement in other business activities such as engineering installation, construction, and gas sales.

According to the Notice on Strengthening the Regulation of Natural Gas Transmission and Distribution Prices (《關於加強天然氣輸配價格監管的通知》) issued and implemented by the NDRC and the SAMR on July 1, 2020, provincial pipeline transportation prices and urban gas distribution prices shall be reasonably set. Natural gas transmission and distribution prices are determined based on the principle of "permitted costs plus reasonable returns".

According to the Notice on the Action Plan for Further Tariff Mechanism Reform During the "14th Five-Year Plan" Period (NDRC Price [2021] No. 689) (《關於「十四五」時期深化價格機制改革行動方案的通知》(發改價格[2021]689 號)) issued by the NDRC on May 18, 2021, it is stated that the pricing mechanism for natural gas pipeline transportation shall be improved and a mechanism is established to align with the development of a "national unified network". With the pricing mechanism for natural gas pipeline transportation improved and established, the pricing methods for natural gas pipeline transportation will be formulated and introduced, further enhancing the price regulation system, and reasonably setting pipeline transportation prices.

According to the Measures for the Administration of Natural Gas Pipeline Transportation Prices (for Trial Implementation) (《天然氣管道運輸價格管理辦法(暫行)》) and the Measures for the Supervision and Review of Natural Gas Pipeline Transportation Pricing Costs (for Trial Implementation) (《天然氣管道運輸定價成本監審辦法(暫行)》), which were issued by the NDRC on June 7, 2021, and took effect from January 1, 2022, pipeline transportation prices adopt government-set pricing and are determined based on the principle of "permitted costs plus reasonable returns". This involves approving permitted costs and regulating permitted returns to establish permitted revenue and determine pipeline transportation tariff rates. The supervision and review of natural gas pipeline transportation pricing costs are organized and implemented by the price regulatory authority under the State Council. These measures have an effective term of eight years starting from January 1, 2022.

PRC LAWS AND REGULATIONS RELATING TO HAZARDOUS CHEMICALS OPERATIONS

Pursuant to the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), or the Production Safety Law, promulgated by the SCNPC on June 29, 2002 and implemented on November 1, 2002, and last revised on June 10, 2021 and implemented on September 1, 2021, entities engaged in production and business activities in Mainland China shall comply with the Production Safety Law and other laws and regulations related to production safety. Entities shall strengthen the management of production safety, establish and improve production safety responsibility systems and production safety regulations and policies, improve safe production conditions, promote the development of production safety standards, and improve the production safety level to ensure their production safety. The primary persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Violation of the Production Safety Law may result in imposition of fines and penalties, order to rectify within a specified time limit, an order to cease operation, or even criminal liability in severe cases.

Pursuant to the Regulations on the Safety Administration of Dangerous Chemicals (《危險化學品安全管理條例》) promulgated by the State Council on January 26, 2002, which was implemented on March 15, 2002, and latest revised and implemented on December 7, 2013, the government applies a licensing system to the business operations of hazardous chemicals. Without approval, no entity or individual may engage in the business operations of hazardous chemicals. Enterprises engaged in the operation of hazardous chemicals, except for highly toxic chemicals and hazardous chemicals that can be used to produce explosives, shall be issued a hazardous chemicals business license by the production safety supervision and administration department of the people's government at the county level. An enterprise engaged in the business operations of hazardous chemicals shall meet the following conditions: (i) having business places which conform to the national and industrial standards and, for one storing hazardous chemicals, having storage facilities which conform to the national and industrial standards; (ii) having employees who have accepted professional technical trainings and passed the relevant examinations; (iii) having sound safety management rules; (iv) having full-time safety management personnel; (v) having an emergency response plan for hazardous chemical accidents and necessary apparatus and equipment for emergency rescue as required by the relevant state provisions; and (vi) other conditions as set forth by any law or regulation. An enterprise engaged in the business operations of hazardous chemicals without obtaining a hazardous chemicals business license shall be subject to being ordered to cease business operations, confiscation of the illegally traded hazardous chemicals and illegal income, imposition of fines, or investigation of criminal liability in accordance with the law.

PRC LAWS AND REGULATIONS RELATING TO PORT OPERATIONS

According to the Regulations on the Administration of Port Operation (《港口經營管理規定》) promulgated by the Ministry of Transport on November 6, 2009, which took effect on March 1, 2010, and was latest revised on December 20, 2020, and implemented on February 1, 2021, the government implements a licensing system for port operations, where the port administrative department shall issue a Port Business Permit, if the applicant is qualified. The following conditions shall be met for undertaking the business operations of a port (excluding the operation of port tugs): (i) having a fixed business site; (ii) having the port facilities and equipment in match with its business scope and scale, of which, (a) the wharfs, passenger stations, storage yards, storage tanks, shore power, and facilities for sewage pretreatment, and other fixed facilities shall correspond with the overall planning of the port and the requirements of laws and regulations as well as the relevant technical standards; (b) where the operators provide embarking or disembarking services for passengers, they shall have the facilities for waiting for ships and embarking or disembarking that can keep out wind, rain, and snow at a minimum, and be equipped with barrier-free facilities under relevant provisions; and (c) Where an operator is providing wharfs, anchorage ground for lightering, pontoons, and other facilities, it shall have the corresponding ability to receive vessel pollutants and wastes and the corresponding ability for the emergency handling of pollutants, including the necessary establishments, facilities, and equipment; (iii) having the corresponding professional technicians and managers appropriate for its business scale and scope; (iv) having sound management rules for business operations, safety management rules and contingency plans for work safety accidents, and such contingency plans which have passed the expert review; and establishing work safety management institutions or being staffed with full-time safety management personnel according to the law. An enterprise engaged in port operations without obtaining a port operation license in accordance with the law, shall be subject to being ordered to cease illegal operations, confiscation of illegal income and imposition of fines.

Pursuant to the Regulations on the Safety Management of Hazardous Goods at Ports (《港口危險貨物安全管理規定》) promulgated by the Ministry of Transport on December 11, 2012, which took effect from February 1, 2013, and was latest revised and implemented on August 3, 2023, operators engaged in loading, unloading, transshipment, storage, and other port operations involving dangerous goods within port areas are required to obtain An Annexed Certificate on Hazardous Goods Operations at Ports (《港口危險貨物作業附證》) issued by the local port administrative department for each specific dangerous goods operation site. An operator engaged in hazardous goods operations at ports shall, besides meeting the business permit conditions as prescribed in the Provisions on the Administration of Port Operations, meet the following conditions: (i) it shall have set up a work safety management institution or have full-time work safety managers; (ii) it shall have sound safety management system, and position safety liability system and operating regulations. (iii) it shall have the facilities and equipment for hazardous goods operations at ports as prescribed by the state; (iv) it shall have the emergency plans for accidents and emergency facilities and equipment that conform to the relevant provisions of the state and have passed the examination of experts; and (v) an operator engaged in hazardous goods operations shall also have loading and unloading managers with professional qualification certificates. An enterprise engaged in dangerous goods port operations without obtaining the corresponding port operation license or exceeding the permitted scope of operations, shall be subject to being ordered to cease illegal operations, confiscation of illegal income and imposition of fines.

PRC LAWS AND REGULATIONS RELATING TO PROJECT CONSTRUCTION AND INSTALLATION

Pursuant to the Construction Law of the People's Republic of China (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997, which took effect on March 1, 1998 and was last amended and implemented on April 23, 2019, the contracting entities of construction projects shall contract projects with quality certificates obtained in accordance with law and within the business scope permitted by their respective quality grades. Building construction enterprises shall not only be prohibited to contract projects beyond the business scope permitted by their respective quality grades or in the name of other building construction enterprises in any form, but also be prohibited to permit in any form other units or individuals in the use of their quality certificates and business licenses to contract projects in the name of their respective enterprises. An enterprise undertaking projects by exceeding its qualification level or without obtaining a qualification certificate, shall be subject to penalties including being ordered to cease violations, imposition of fines, suspension of business for rectification, demotion of qualification level, revocation of qualification certificates, and confiscation of illegal income.

According to the Regulations on the Administration of Survey and Design of Construction Projects (《建設工程勘察設計管理條例》) promulgated by the State Council on September 25, 2000, which was latest revised and implemented on October 7, 2017, the government has implemented a qualification administration system for entities engaged in surveying and designing activities of construction projects. The entities engaged in surveying and designing activities of construction projects shall contract for the surveying or designing engagements of construction projects within the approved scope of their respective qualifications. An enterprise undertaking projects without obtaining a qualification certificate shall be subject to penalties including being banned, imposition of fines, and confiscation of illegal income.

Pursuant to the Administrative Provisions on the Qualification of Construction Enterprises (《建築業企業資質管理規定》) promulgated by the MOHURD on October 6, 1995, which took effect from October 15, 1995, and was latest revised and implemented on December 22, 2018, an enterprise shall apply for its qualification based on its conditions such as assets possessed by it, main personnel, achievement of construction projects completed, and technical equipment, and may only engage in construction activities within the scope of its qualification, after passing the qualification examination and obtaining the qualification certificate of construction enterprise. The qualifications for construction enterprises are classified into three series: general contractor qualification, specialty contractor qualification and labor subcontractor qualification. Each of general contractor qualification and specialty contractor qualification is further classified into several qualification categories depending on the nature and technical characteristics of projects, with sub-grades for each category depending on the required conditions, whereas there is no classification of categories or grades for labor subcontractor qualification.

According to the Guiding Opinions on Regulating Charges for Urban Gas Engineering Installations (NDRC Price [2019] No. 1131) (《關於規範城鎮燃氣工程安裝收費的指導意見》(發改價格[2019]1131 號)) issued and implemented by the NDRC, the MOHURD, and the SAMR on June 27, 2019, the definition and scope of charges for urban gas engineering installation are clarified. Installation charges for gas engineering projects are limited to assets owned by users within the red line of the building zoning and shall not extend beyond the red line. Furthermore, it is stated in the opinions that a competitive market system shall be established for gas engineering installation, enterprises with gas engineering installation capabilities are encouraged to legally obtain the corresponding municipal public works construction qualifications to participate in market competition, and qualified installation enterprises are encouraged to conduct cross-regional installation and renovation services to promote market competition.

In accordance with the Construction and Acceptance Standards for Urban Gas Transmission and Distribution Projects (《城鎮燃氣輸配工程施工及驗收標準》) released by the MOHURD on May 23, 2023, which took effect from September 1, 2023, clear regulations have been established regarding quality control in all aspects of natural gas facility and equipment installation projects.

PRC LAWS AND REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATION SERVICES

In accordance with the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecom Regulations**") promulgated and implemented by the State Council on September 25, 2000, which was latest revised and implemented on February 6, 2016, provides a regulatory framework for telecommunications services providers in the PRC. These regulations categorize telecommunications services into basic telecommunications services and value-added telecommunications services. A value-added telecommunications service provider shall obtain an operating license. The Catalog of Telecommunications Business (《電信業務分類目錄》), which was issued as an attachment to the Telecom Regulations, was amended on June 6, 2019 by the MIIT. According to such catalog, information services provided through public communication networks or internet fall within value-added telecommunications services.

Pursuant to the Administrative Measures on Internet Information Service (《互聯網信息服務管理辦法》) issued and implemented by the State Council on September 25, 2000, which was latest revised on December 6, 2024 and implemented on January 20, 2025, internet information services are divided into services of commercial nature and non-commercial nature. Commercial internet information services refer to for-profit services which provide information to or create web pages for online users through the Internet, and a commercial internet information services provider shall obtain a license by telecommunications administration authorities of provinces, autonomous regions, and municipalities directly under the central government, or the information industry authority under the State Council to operate value-added telecommunications business in internet-based information services, while non-commercial internet information services refer to activities that provide open and shared information to online users free of charge through the Internet, and a non-commercial internet information services provider shall carry out record-filing procedures with counterparts of the telecommunications administration authorities of provinces, autonomous regions, and municipalities directly under the central government, or the information industry authority under the State Council.

According to the Regulations on Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on December 11, 2001, which took effect from January 1, 2002, and was latest revised on March 29, 2022 and implemented on May 1, 2022, foreign-invested telecommunications enterprises refer to enterprises established by foreign investors in accordance with the law within the territory of the PRC to engage in telecommunications business. The proportion of foreign-investment in a foreign invested telecommunications enterprise providing value-added telecommunications services shall not exceed 50% in the end.

According to the Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the 2024 Negative List, foreign investments are limited to the telecommunications business opened pursuant to China's WTO accession commitments, and the proportion of foreign investment in a value-added telecommunications business (excluding e-commerce business, domestic multi-party communications, store-and-forward and call centers) shall not exceed 50%.

On September 18, 2009, the Ministry of Commerce of the People's Republic of China (the "**MOFCOM**") promulgated the Notice on Issues Concerning Applicable Procedures for Applying to Operate Telecommunication Business by Domestic Enterprises Directly Listed Overseas (《關於境外直接上市的境內企業申請經營電信業務適用程序有關的通知》), which stipulates that where a domestic enterprise directly listed overseas applies to operate telecommunication businesses, the administrative provisions and approval procedures on foreign-invested telecommunication enterprises shall apply if the proportion of foreign capital in such enterprise exceeds 10% (including 10%), and the administrative provisions and approval procedures on domestic-funded enterprises operating telecommunication business shall apply if the proportion of foreign capital in such enterprise is less than 10%, and the single largest shareholder is a PRC domestic investor.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT AND OVERSEAS INVESTMENT

Foreign Investment

The establishment and operation of companies in China is governed by the PRC Company Law, as amended in 1999, 2004, 2005, 2013, 2018 and 2023, the latest revision of which has been effective from July 1, 2024. According to the PRC Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies. The PRC Company Law applies to both PRC domestic-funded companies and foreign-invested companies. The main revisions of the latest version of the PRC Company Law, which takes effect on July 1, 2024, include, among others, improving corporate establishment and withdrawal systems, optimizing the organizational structure of companies, refining capital contribution regulations, strengthening the accountability of controlling shareholders and management personnel, enhancing corporate social responsibility.

On March 15, 2019, the NPC approved the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), or the Foreign Investment Law, and on December 26, 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and the Implementing Rules both took effect on January 1, 2020 and replaced three previous major laws on foreign investments in China, namely, the Sino-foreign Equity Joint Venture Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Law of the PRC (《中 華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their respective implementing rules. Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council.

On December 30, 2019, MOFCOM and SAMR promulgated the Measures for the Reporting of Foreign Investment Information (effective from January 1, 2020) (《外商投資信息報告辦法》), repealing the Provisional Administrative Measures on Establishment and Modifications Filing for Foreign Investment Enterprises (《外商投資企業設立及變更備案管理暫行辦法》). Where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-funded enterprises shall report investment information to commerce departments. On September 6, 2024, MOFCOM and NDRC promulgated the 2024 Negative List, which will become effective on November 1, 2024. A foreign-invested enterprise's investment in China shall comply with the relevant provisions of the 2024 Negative List. Fields that were not included in the 2024 Negative List shall be regulated according to the principle of equal treatment of domestic and foreign investments.

Overseas Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009 and implemented on May 1, 2009, and was latest revised on September 6, 2014 and implemented on October 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, a domestic enterprise, or the Investor, making an outbound investment shall obtain approval, conduct record-filing or other procedures applicable to outbound investment projects, or the Projects, report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive Projects directly carried out by Investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing. The aforementioned "sensitive project" means a project involving a sensitive country or region or a sensitive industry. The NDRC shall promulgate the catalogue of sensitive industries. The currently effective sensitive industry catalogue is the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018.

Pursuant to the Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) promulgated by the SAFE on July 13, 2009 and become effective on August 1, 2009, enterprises in mainland China should apply for foreign exchange registration for their overseas direct investments after obtaining approval for such investments. As mentioned above, the administrative approval of foreign exchange registration under overseas direct investment has been abolished by the Notice on Further Simplifying and Improving Foreign Exchange Administration Policies of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), part of which was repealed in December 2019, and banks are entitled to directly review and conduct foreign exchange registration under overseas direct investment.

PRC LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the PRC 《中華人民共和國環境保護法》promulgated by the SCNPC on December 26, 1989 and implemented on the same date, and subsequently revised on April 24, 2014 and implemented on January 1, 2015, enterprises, public institutions and other producers and operators shall prevent and reduce environmental pollution and ecological damage, and shall take the liabilities for the damages caused according to the laws. The state adopts the pollution discharge permit management system. Enterprises, public institutions and other producers and operators which are subject to the pollution discharge permit management shall discharge pollutants according to the requirements of the pollution discharge permit; and those that fail to obtain the pollution discharge permit shall not discharge pollutants.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the SCNPC on October 28, 2002 and implemented on September 1, 2003, and last revised and implemented on December 29, 2018, and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) promulgated by the State Council on November 29, 1998 and implemented on the same date, subsequently revised on July 16, 2017 and implemented on October 1, 2017, the state implements a system to assess the environment impact of construction projects. An environmental impact statement should be prepared for a construction project that may cause major impacts on the environment, providing thorough evaluations of the potential environmental impact generated; an environmental impact form should be compiled for a construction project that may cause light impacts on the environment, providing analyses or special-purpose evaluations of the potential environmental impact generated; and an environmental impact registration form should be completed and submitted for a construction project that has very small impacts on the environment and necessitates no environmental impact assessment. Construction projects without undergoing assessment for environmental impact according to the laws cannot commence construction. After the completion of the construction projects for which environment impact statement and environment impact form was prepared, a construction unit shall, according to the standards and procedures formulated by the competent administrative department for environment protection under the State Council, conduct inspection and acceptance of supplementary environment protection facilities, and prepare inspection and acceptance report. No supplementary facilities of such projects may be put into production or use until such facilities pass inspection and acceptance; no supplementary facilities that failed to undergo or pass the inspection and acceptance procedure may be put into production or use.

Pursuant to the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) promulgated by the SCNPC on October 30, 1995, implemented on April 1, 1996 and last revised on April 29, 2020 and implemented on September 1, 2020, the necessary supporting facilities for prevention and control of environmental pollution by solid wastes specified in the environmental impact assessment document of a construction project shall be designed, constructed and put into operation simultaneously with the main part of the project. The construction unit shall, in compliance with the provisions of relevant laws and regulations, check and accept the supporting facilities for prevention and control of environmental pollution by solid wastes, prepare a report on the acceptance and make it open to the public. Entities and other producers and business operators that generate, collect, store, transport, utilize, or treat solid wastes shall take measures to prevent them from being scattered, and their runoff and leakage as well as take other measures against environmental pollution and shall not dump, pile up, discard or scatter solid wastes without authorization.

Pursuant to the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) promulgated by the SCNPC on September 5, 1987, implemented on June 1, 1988, and latest revised and implemented on October 26, 2018, enterprises and institutions and other manufacturers and business operators undertaking development projects which have an impact on atmospheric environment shall conduct environmental impact assessment, and announce the environmental impact assessment document pursuant to the law; emission of atmospheric pollutants shall comply with the atmospheric pollutants emission standards, and comply with the total quantity control requirements for emission of key atmospheric pollutants. Enterprises and institutions which emit industrial waste gases or hazardous atmospheric pollutants included in the list stipulated in Article 78 of this Law, manufacturers and operators using coal heat sources for centralized heating facilities and other organizations subject to emission permit administration pursuant to the law shall obtain an emission permit. Enterprises and institutions and other manufacturers and business operators which emit atmospheric pollutants shall set up an atmospheric pollutant emission point pursuant to laws and regulations and the provisions of the ecological environment department of the State Council.

PRC LAWS AND REGULATIONS RELATING TO CYBER SECURITY

According to the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) ("**Cyber Security Law**"), which was promulgated by the SCNPC on November 7, 2016 and came into effect on June 1, 2017, network operators shall comply with laws and regulations and fulfill their obligations to ensure the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities committed on the network, and maintain the integrity, confidentiality, and availability of network data. In addition, the network operators shall neither collect the personal information irrelevant to the services provided by them nor collect or use the personal information in violation of the provisions of any laws or administrative regulation or the agreement between both parties.

On December 28, 2012, the SCNPC promulgated the Decision on Strengthening Information Protection on Networks (《關於加強網絡信息保護的決定》) to enhance the protection of information security and privacy on the Internet. On July 16, 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and the Internet Users (《電信和互聯網用戶個人信息保護規定》), which became effective on September 1, 2013, to regulate the collection and use of personal information of users in the provision of telecommunication service and the Internet information service.

According to the Several Provisions on Regulating the Market Order of the Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which was promulgated by the MIIT on December 29, 2011, and came into effect on March 15, 2012, without the consent of users, the Internet information service providers shall neither collect information which is relevant to users and can serve to identify users solely or in combination with other information (the "**personal information of users**") nor shall they provide personal information of users to others, unless otherwise provided by laws and administrative regulations. The Several Provisions on Regulating the Market Order of the Internet Information Services also require that the Internet information service providers shall properly preserve the personal information of users.

Pursuant to the Data Security Law of the PRC (《中華人民共和國數據安全法》) ("**Data Security Law**") promulgated by the SCNPC on June 10, 2021 and became effective on September 1, 2021, a data classification and grading protection system has been established based on the significance of data in economic and social development, as well as the potential harm to national security, public interests, or the lawful rights and interests of individuals and organizations in the event of tampering, destruction, leakage, illegal acquisition, or illegal use. The National Data Security Coordination Mechanism is responsible for coordinating relevant departments to formulate a catalogue of "important data". Data relating to national security, the lifeline of the national economy, critical livelihoods and major public interests is categorised as "national core data" and is subject to stricter management systems. According to the Data Security Law, data activities affecting or likely to affect national security will be subject to national security review under the data security review system. The data relating to safeguarding national security and interests and performance of international obligations shall be subject to export control of China. In addition, the Data Security Law provides that important data processors shall appoint a data security officer and establish a management department to take charge of data security, and important data processors shall evaluate the risk of their data activities periodically in accordance with the regulation and file assessment reports with the relevant regulatory authorities. Furthermore, data transaction intermediary service providers shall require data providers to specify the sources of the data, check the identities of parties involved in the data transactions and keep records accordingly. Relevant entities or individuals violating the Data Security Law may subject to warnings and fines by the relevant competent authorities and may be ordered to suspend operations for rectification, revoke their relevant permits or business licenses, and/or, be held criminally liable in accordance with law if constituting a crime.

Pursuant to the Measures for Cyber Security Review (《網絡安全審查辦法》) (the "**Cybersecurity Review Measures**") promulgated by the Office of the Central Cyberspace Affairs Commission of China (the "**CAC**"), the NDRC and other 11 ministries and commissions on April 13, 2020 and became effective on June 1, 2020, and amended on December 28, 2021 and took effect on February 15, 2022, the procurement of network products and services by critical information infrastructure operators and the activities of data process carried out by network platform operators that raise or may raise national security concerns are subject to cybersecurity review by the Office of Cybersecurity Review established by the CAC. Before such critical information infrastructure operator purchases internet products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give raise to national security concerns, it should apply for a cybersecurity review by the Office of Cybersecurity Review. In addition, network platform operators holding personal information of more than 1 million users who seek to be listed abroad shall apply for a cybersecurity review by the Office of Cybersecurity Review.

On July 7, 2022, the CAC promulgated the Cross-border Data Transfer Security Assessment Measures (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which became effective from September 1, 2022. On March 22, 2024, the CAC promulgated the Provisions on Facilitating and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) (the "**Provisions on Cross-Border Data Flows**"), which came into effect on the same day. The Provisions on Cross-Border Data Flows stipulate that in the event of any inconsistency with the Security Assessment Measures, the Provisions on Cross-Border Data Flows shall prevail. In accordance with the relevant provisions of both the Security Assessment Measures and the Provisions on Cross-Border Data Flows, data processors who provide data abroad and meet any of the following conditions shall apply for the data export security assessment to the national cybersecurity administration authority through its local provincial counterpart: (i) critical information infrastructure operators providing personal information or important data abroad; or (ii) data processors other than critical information infrastructure operators providing important data abroad, or cumulatively providing personal information (excluding sensitive personal information) of more than one million individuals or sensitive personal information of more than 10,000 individuals abroad since 1 January of any calendar year.

On July 21, 2023, the Notice on Conducting Mobile Internet Applications Filing (MIIT Xin Guan [2023] No. 105) (《關於開展移動互聯網應用程序備案工作的通知》 (工信部信管[2023]105號))) (the "**Notice 105**") promulgated by the MIIT took effect on the same day. Pursuant to Notice 105, App operators who engaged in Internet information services in China shall go through the filing procedures in accordance with the Anti-telecom and Online Fraud Law of the People's Republic of China and the Administrative Measures for Internet Information Services, and those who failed to go through the filing procedures shall not engage in APP Internet information services. During the period from September 2023 to March 2024, the Apps that have commenced business prior to the issuance of the Notice 105 shall go through the filing procedures with the provincial communications administration in the place where it resides through its network access service provider and distribution platform in accordance with the requirements of the Notice 105.

On September 24, 2024, the State Council promulgated the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》("**Administration Regulations**"), which will implement since January 1, 2025. Administration Regulations required, where network data processing activities carried out by a network data processor affect or may affect national security, national security review shall be conducted in accordance with relevant PRC regulations. In addition, the Administration Regulations also imposes other specific requirements on data processing activities of cyber data processors regarding personal information protection, important data security, cross-border data security management, and obligations of network platform service providers.

According to Regulations of the People's Republic of China on Protecting the Safety of Computer Information Systems (《中華人民共和國計算機信息系統安全保護條例》) promulgated and implemented by the State Council on February 18, 1994, revised and implemented on January 8, 2011, the protection of the safety of computer information systems shall safeguard the safety of the computer and its related and complementary sets of equipment and facilities (including network), the safety of operating environment, the safety of information, and the normal performance of computer functions so as to maintain the safe operation of computer information systems. No organization or individual is allowed to take advantage of computer information systems to engage in activities harmful to the national interests and other people's interests or legitimate rights, nor endanger the safety of computer information systems.

Pursuant to the Measures for the Administration of Data Security in the Field of Industry and Information Technology (for Trial Implementation)《工業和信息化領域數據安全管理辦法(試行)》issued by the MIIT on December 8, 2022 and implemented on January 1, 2023, the regulatory supervision is imposed on data processing activities and their security within the field of industry and information technology conducted inside the territory of the PRC.

PRC LAWS AND REGULATIONS RELATING TO INTERNET PRIVACY

In accordance with the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which was promulgated by the MIIT on December 29, 2011 and was implemented on March 15, 2012, internet content provision operators must not, without user consent, collect user personal information, which is defined as information related to users that can be used alone or in combination with other information to identify the user, and may not provide personal information to third parties unless otherwise provided by laws or administrative regulations. Internet content provision operators may only collect user personal information necessary to provide their services and must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information. In addition, an internet content provision operator may only use such user personal information for the stated purposes under its scope of service. Internet content provision operators are also required to ensure the proper security of user personal information, and take immediate remedial measures if any user's personal information is suspected to have been disclosed. If the consequences of any such disclosure are expected to be serious, internet content provision operators must immediately report the incident to the telecommunications regulatory authority and cooperate with the authorities in their investigations.

In accordance with the Provisions on the Protection of Telecommunication and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), which was promulgated by the MIIT on July 16, 2013 and was implemented on September 1, 2013, most of which are relevant to internet content provision operators are consistent with the requirements already established under the MIIT provisions mentioned above, though often more stringent and broad. According to these provisions, internet information service providers may only collect or use personal information necessary to provide services. In addition, internet information service providers must clearly inform users of the purpose, method and scope of collection or use of information, and must obtain the consent of the user whose personal information is collected or used. Internet information service providers must also develop and publish rules for the collection or use of personal information, maintain strict confidentiality of any information collected, and take technical and other measures to maintain the security of personal information. When users deactivate the relevant internet services, internet information service providers shall stop collecting or using the user's personal information and cancel the relevant user account. Internet information service providers shall not disclose, alter or damage any personal information, and shall not sell or illegally provide the user's personal information to others.

Pursuant to the Amendment (IX) to the Criminal Law of the PRC (《中華人民共和國刑法修正案(九)》) promulgated by the SCNPC on August 29, 2015, which took effect on November 1, 2015, network service providers who fail to fulfill their obligations on information network security management as stipulated in the relevant laws and refuse to rectify the situation after being ordered to do so shall be subject to criminal penalties. In addition, the Interpretation on Several Issues Concerning the Application of Law in Handling Criminal Cases of Infringement of the Personal Information of Citizens (《關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), jointly promulgated by the the Supreme People's Court of the People's Republic of China ("**Supreme People's Court**") and the Supreme People's Procuratorate of the People's Republic of China ("**Supreme People's Procuratorate**") on May 8, 2017 and brought into force on June 1, 2017, further clarifies certain conviction and sentencing standards for crimes related to infringement of personal information.

The Cyber Security Law (《網絡安全法》) clearly defines the data protection obligations of network operators, including that network operators shall not disclose, tamper with or impair the personal information collected by them, and they are also responsible for deleting illegally collected information and modifying incorrect information. In addition, without the consent of a particular user, a network operator shall not provide the user's personal information to others. If personal information is processed in an irreversible manner that makes it impossible to identify a specific individual, it is exempt from the above requirements. In addition, the Cyber Security Law (《網絡安全法》) also provides for notification requirements for violations involving personal information.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**") promulgated by the NPC on May 28, 2020, which took effect from January 1, 2021, personal information of a natural person shall be processed under the principles of lawfulness, justification and necessity, shall not be excessively processed, and shall meet the following conditions: (i) The consent of the natural person or his or her guardian is obtained, unless as otherwise prescribed by laws and administrative regulations; (ii) The rules for information processing are published; (iii) The purpose, method, and scope of information processing are explicit; (iv) The provisions of laws and administrative regulations and the agreement between both parties are not violated. It clarifies that a natural person has the right to access or reproduce his or her personal information from the information processor in accordance with the law; and upon discovery of any error in the information, he or she has the right to raise an objection and request correction and other necessary measures to be taken in a timely manner. The Civil Code also stipulates that information processors shall take technical measures and other necessary measures to ensure the security of the personal information collected and stored thereby and prevent information leakage, tampering, and loss.

According to the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection law**") promulgated by SCNPC on August 20, 2021, which took effect from November 1, 2021, personal information refers to all kinds of information related to an identified or identifiable natural person recorded by electronic or other means, excluding information after anonymization. The processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information. The Personal Information Protection Law shall apply to the processing of personal information of natural persons within China. The Personal Information Protection Law shall also apply to the processing of personal information of natural persons within the territory of China, as well as the processing the personal information of natural persons within the territory of China outside the territory of China for the purpose of providing products or services to natural persons within China, or for analyzing or evaluating the behavior of natural persons within China, or under other circumstances as provided by laws and administrative regulations.

According to the Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》) promulgated by the Cyberspace Administration of China on February 12, 2025, which took effect on May 1, 2025, there are two scenarios for personal information processors to conduct personal information protection compliance audits. First, personal information processors shall regularly conduct compliance audits of their processing of personal information in compliance with laws and administrative regulations, i.e (i) a personal information processor that processes the personal information of more than 10 million people shall conduct a personal information protection compliance audit at least once every two years; (ii) other personal information processors shall reasonably determine the frequency of regular personal information protection compliance audits based on their own circumstances. Second, if protection departments find that there are greater risks in personal information processing activities, that the rights and interests of many individuals may be infringed upon, or that a personal information security incident has occurred, it may request the personal information processor to commission a professional organization to conduct a compliance audit of its personal information processing activities.

PRC LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and implemented on April 1, 1985, and last revised on October 17, 2020 and effective on June 1, 2021, and the Implementing Regulations of the Patent Law of the PRC promulgated by the State Council on January 19, 1985 and implemented on April 1, 1985, and last revised on December 11, 2023 and implemented on January 20, 2024, patents in China are divided into invention patent, utility patent and design patent. The duration of patent rights is calculated from the date of application and lasts 20 years for invention patents, 10 years for utility patents, and 15 years for design patents. The patent right enjoyed by the patent owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use of the relevant patent constitutes an infringement of the patent right.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and last revised on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, literary works, oral works, photographic works, audiovisual works and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 with certain provisions of which were amended on July 1, 2004, and the Regulation on Computers Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and implemented on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants that meet the requirements of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, implemented on March 1, 1983 and last revised on April 23, 2019 and implemented on November 1, 2019 and the Implementation Regulations of the

Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002, and amended on April 29, 2014 and implemented on May 1, 2014, a trademark approved for registration by the Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date for further use of the registered trademark. The valid period for each renewal of registration is 10 years, counted from the next day of the expiration day of the last term.

PRC LAWS AND REGULATIONS RELATING TO REAL ESTATE AND LEASED PROPERTIES

According to the Civil Code promulgated by the National People's Congress on May 28, 2020 and implemented on January 1, 2021, the creation, modification, transfer, or extinction of a real right in an immovable shall become valid after it is registered in accordance with the law; it shall have no binding force if it is not registered in accordance with the law, except as otherwise provided for by any law. An immovable shall be registered at the registration authority at the place where the immovable is located. The state implements the rules for the unified registration of immovables. The scope of unified registration, registration authorities and the measures for registration shall be provided for by laws and administrative regulations. Failure by the parties to conduct registration and filing formalities for the lease contract as required by laws and administrative regulations shall not affect the validity of the contract.

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, and last revised on August 26, 2019 and implemented on January 1, 2020, construction units using state-owned land shall obtain the land use rights through paid means such as grant. However, the following construction land may be obtained by allocation upon approval by the people's government at or above the county level in accordance with the law: (i) land for state organs and military use; (ii) land for urban infrastructure and public welfare undertakings; (iii) land for key national energy, transportation, water conservancy and other infrastructure projects supported by the state; and (iv) other land as prescribed by laws and administrative regulations. Construction units that obtain state-owned land use rights by grant or other means may use the land only after paying land use fees, land grant premiums and other charges in accordance with the standards and rules prescribed by the State Council. According to the Implementing Regulations of the Land Administration Law of the PRC promulgated by the State Council on 4 January 1991, and last revised on July 2, 2021 and implemented on September 1, 2021, construction units shall obtain the use of state-owned land by paid means, except where laws and administrative regulations provide for allocation.

On December 1, 2010, the MOHURD promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which came into effect on February 1, 2011, stipulates that parties to the property lease shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real estate) department of the PRC Government of the centrally-administered municipality, municipality or county where the leased property is located. Any party failing to complete the leasing registration and filing formalities shall be ordered by the development (real estate) department of the PRC Governments of centrally-administered municipalities, municipalities or counties to make correction within a stipulated period; where an organization fails to make correction within the stipulated period, a fine ranging from RMB1,000 to RMB10,000 shall be imposed.

PRC LAWS AND REGULATIONS RELATING TO LABOR EMPLOYMENT, SOCIAL SECURITY, AND HOUSING PROVIDENT FUNDS

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, implemented on January 1, 1995 and last revised and implemented on December 29, 2018, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated on June 29, 2007, revised on December 28, 2012 and implemented on July 1, 2013, written Labor contracts shall be executed between an entity and its employees if an employment relationship is established. Employers are required to inform their employees about their job responsibilities, working conditions, occupational hazards, remuneration and other matters with which the employees may be concerned. Employers shall pay remuneration to employees on time and in full in accordance with the commitments set forth in their employment contracts and the relevant PRC laws and regulations.

Social Insurance

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, implemented on July 1, 2011, and last revised and implemented on December 29, 2018, the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was implemented on January 22, 1999 and revised and implemented on March 24, 2019, employers and individuals within the territory of the PRC shall pay social insurance premiums in accordance with the law. Where the employer fails to pay social insurance premiums in full and on time, the social insurance premium collection agency has the right to order it to pay or make up within a time limit, and charge late payment fees on a daily basis from the date of the default of payment. The relevant administrative department may impose a fine for failure to make payment within the specified time limit.

Housing Provident Fund

Pursuant to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and last revised and implemented both on March 24, 2019, an employer shall register with the competent housing provident fund management center and make contributions to the housing provident fund for their employees. Where an employer is overdue in the payment of, or underpays, the housing provident fund contributions, the housing provident fund management center shall order it to make the payment and deposit within a prescribed time limit; where the payment and deposit have not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

PRC LAWS AND REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

Anti-Monopoly

Pursuant to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the "**Anti-Monopoly Law**") promulgated by the SCNPC on August 30, 2007, last revised on June 24, 2022 and implemented on August 1, 2022, prohibited monopoly practices include any monopoly agreement reached by any operators, abuse of market-dominating position, and any concentration of operators that may have the effect of eliminating or restricting competition. The antimonopoly law enforcement agencies designated by the State Council are responsible for enforcement of the Anti-Monopoly Law in accordance with the provisions of the Anti-Monopoly Law. Operators who violate the provisions of the Anti-Monopoly Law shall be ordered by the antimonopoly law enforcement agencies to cease the illegal conduct and be subject to fines. The revised Anti-Monopoly Law stipulates, among others, that business operators are prohibited from using data and algorithms, technological and capital advantages, or platform rules to engage in practices that exclude or restrict competition. It also requires relevant government authorities to intensify scrutiny over concentrations of business operators in critical sectors concerning national livelihoods and the economy, while strengthening penalties for violations of regulations governing such concentrations.

On April 25, 2024, the Anti-Monopoly and Anti-Unfair Competition Commission of the State Council promulgated the Anti-Monopoly Compliance Guidelines for Business Operators (《經營者反壟斷合規指南》). Based on the Anti-Monopoly Law, such commission provides guidance on compliance management organization, compliance risk management, implementation and guarantee of compliance management and compliance incentive, and encourages operators to prevent compliance risks of the Anti-Monopoly Law in accordance with the Anti-Monopoly Compliance Guidelines for Business Operators. The Anti-Monopoly Compliance Guidelines for Business Operators only provide general guidelines on operators' anti-monopoly compliance and is not mandatory.

Anti-Unfair Competition

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**"), promulgated by the SCNPC on September 2, 1993, and last revised and implemented both on April 23, 2019, operators engaged in production and business activities should abide by the principles of voluntariness, equality, fairness, honesty, and credibility, and comply with laws and business ethics. Operators shall not use unfair means to conduct market transactions or harm competitors. Any operator who violates the Anti-Unfair Competition Law by engaging in the foregoing unfair competition activities shall be ordered to cease such illegal activities, eliminate the influence of such activities or compensate for the damages caused to any party. The competent supervision and inspection authorities may also confiscate the illegal gains or impose fines on such operators.

The SAMR promulgated the Interim Provisions on Anti-Unfair Competition on the Internet (《網絡反不正當競爭暫行規定》) on May 6, 2024, which came into effect on September 1, 2024. The Provisions (i) primarily regulate production and business activities conducted by operators through the internet and other information networks; and (ii) prohibit operators from engaging in unfair online competition practices that disrupt market competition order, affect fair market transactions, or infringe upon the legitimate rights and interests of other operators or consumers.

PRC LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

According to the EIT Law, which was promulgated by the National People's Congress on March 16, 2007, implemented on January 1, 2008 and last revised and implemented on December 29, 2018, and the Implementation Regulations on the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the "**Implementation Regulations on the EIT Law**"), which was promulgated by the State Council on December 6, 2007, implemented on January 1, 2008, and last revised on December 6, 2024, and implemented on January 20, 2025, the tax rate of 25% will be applied to the income related to all PRC enterprises, foreign-invested enterprises and foreign enterprises which have established production and operation facilities in the PRC. These enterprises are classified as either resident enterprises or non-resident enterprises. Enterprises which are established in accordance with the law of the foreign country or region, but whose actual management institutions (referring to the institutions conducting substantive and all-around management and control over the enterprises production, operation, personnel, accounting matters, finance, etc.) are in PRC, are deemed as resident enterprise. Thus, the tax rate of 25% applies to their income originating from both inside and outside the PRC. According to the Measures for the Administration of Recognition of High-tech Enterprises (《高新技術企業認定管理辦法》) jointly promulgated by the Ministry of Science and Technology of the People's Republic of China, the MOF, and the SAT on April 14, 2008 and last revised on January 29, 2016, government-recognized high-tech enterprises may enjoy a preferential enterprise income tax rate of 15%.

According to the EIT Law and the Implementing Regulations on the EIT Law, for dividends payable to investors who are non-resident enterprises (who do not have institutions or places of business in the PRC, or that have institutions and places of business in PRC but to whom the relevant income is not effectively connected), 10% of the PRC withholding tax shall be paid, unless there are any applicable tax treaties are reached between the jurisdictions of non-resident enterprises and the PRC which may reduce or provide exemption to the relevant tax. Similarly, any gain derived from the transfer of shares by such investor, if such gain is regarded as income derived from the PRC, shall be subject to 10% PRC income tax rate or a lower tax treaty rate (if applicable).

Value-Added Tax

Pursuant to the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on December 13, 1993 and implemented on January 1, 1994, and last revised and implemented on November 19, 2017, and the Rules for the Implementation of the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF on December 25, 1993 and effective on the same date, and last revised on October 28, 2011 and implemented on November 1, 2011 (collectively, the "**VAT Law**"), taxpayers engaged in the sale of goods, provision of processing, repair and replacement services, sales services, intangible assets, real estate, and importation of goods within the territory of China shall pay value-added tax. On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值稅法》), which will come into effective on January 1, 2026, and replace the Interim Regulations on Value-added Tax of the PRC.

Furthermore, according to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (《關於全面推開營業稅改徵增值稅試點的通知》), promulgated by the MOF and the State Taxation Administration on March 23, 2016, and implemented on May 1, 2016, with certain provisions of which were amended on July 1, 2017 and April 1, 2019, the pilot program of replacing business tax with value-added tax was comprehensively implemented nationwide from May 1, 2016. All taxpayers subject to business tax in the construction, real estate, finance, and life services sectors have been incorporated into the pilot program and shall pay value-added tax instead of business tax.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and implemented on April 1, 1996, which was latest revised and implemented on August 5, 2008, current account foreign exchange transactions must be based on genuine and lawful underlying transactions. Financial institutions engaged in foreign exchange settlement and sale businesses shall conduct reasonable verification of the authenticity of transaction documents and their consistency with foreign exchange transactions, in accordance with the regulations of the SAFE. The foreign exchange regulatory authorities have the power to conduct supervision and inspection on matters stipulated in the preceding paragraph. Domestic institutions and individuals engaging in direct overseas investment or issuing/trading overseas securities and derivatives shall complete registration procedures as required by the regulations of SAFE. If national regulations require prior approval or filing by relevant competent authorities, such procedures must be completed before foreign exchange registration.

According to the Notice of the SAFE on Further Improving and Adjusting Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》), which was promulgated on November 19, 2012, implemented on December 17, 2012 with certain provisions amended in May 2015 and October 2018, and some provisions repealed in December 2019, in order to deepen the reform of the foreign exchange administration system, simplify the administrative approval procedures and promote investment and trade facilitation, the SAFE decided to improve foreign exchange administration for direct investment by repealing or adjusting certain administrative approval items for foreign exchange administration in direct investment, including but not limited to cancellation of approval for the opening of a foreign exchange account or the entry of any amount in the foreign exchange account under direct investment.

According to the Notice on Further Simplifying and Improving the Policies for Foreign Exchange Administration of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (partially abolished in December 2019), which promulgated by the SAFE on February 13, 2015 and implemented on June 1, 2015, the SAFE cancelled the administrative approvals of foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment and simplified certain procedures for handling foreign exchange transactions under direct investment, and banks shall directly review and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment.

According to the Provisions on the Foreign Exchange Administration of Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (partially abolished in December 30, 2019), which was promulgated by the SAFE on May 10, 2013, implemented on May 13, 2013, and amended and implemented on October 10, 2018, the SAFE and its local branches shall manage the direct investment by foreign investors in China by way of registration, and banks shall handle the foreign exchange business under direct investment in the PRC based on the registration information provided by the SAFE or its branches.

On December 26, 2014, the SAFE promulgated and implemented the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》). According to the notice, a domestic company shall, within 15 business days after the completion of its overseas listing and issuance, go through the registration of overseas listing with the Administration of Foreign Exchange at the place of its registration. After the overseas listing of a domestic company, a domestic shareholder intending to increase or reduce his/her holding of shares of the overseas listed company in accordance with relevant provisions shall register his/her overseas shareholding with the local Administration of Foreign Exchange at the place where he resides within 20 working days before the increase and reduction of shares.

According to the Notice of the SAFE on Reforming the Management Method for the Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (partially abolished in December 30, 2019 and March 23, 2023), which was promulgated by the SAFE on March 30, 2015 and implemented on June 1, 2015, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis based on the actual needs of their business operations. In addition, according to the Notice of the SAFE on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), which was promulgated and implemented by the SAFE on June 9, 2016 and partially amended on December 4, 2023, the voluntary foreign exchange settlement ratio for domestic institutions' capital account foreign exchange earnings is temporarily set at 100%. The RMB funds obtained from voluntary settlement of such earnings shall be managed under a pending payment account. The use of domestic institutions' capital account foreign exchange earnings must comply with the principles of authenticity and self-use within their business scope.

The SAFE promulgated and implemented the Notice on Further Promoting the Reform of Foreign Exchange Control and Improving the Verification of Authenticity and Compliance (《關於進 一步推進外匯管理改革完善真實合規性審核的通知》) on January 26, 2017, which stipulates several capital control measures with respect to outbound remittance of profits from domestic entities to offshore entities, including the following: (i) when handling outward remittance of profits equivalent to more than USD50,000 (exclusive) for a domestic institution, banks shall, under the principle of genuine transaction, check the profit distribution resolutions of the board of directors (or the profit distribution resolutions of partners) that are related to this profit remittance, the original version of tax filing records and audited financial statements; and (ii) domestic institutions shall hold income to account for previous years' losses before remitting the profits. Moreover, according to the notice, domestic institutions shall make detailed explanations of the source of investment funds and the usage of the funds (utilization plan), and provide board resolutions (partners resolutions), contracts and other proof of authenticity to the bank.

The SAFE promulgated and implemented the Notice on Further Facilitating Cross-Board Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) on October 23, 2019 (in which Paragraph 2 of Article 8 became effective on January 1, 2020, and was partially amended on December 4, 2023). According to the notice, non-investment foreign-invested enterprises are permitted to make domestic equity investments with their capital funds under the condition that the prevailing Special Administrative Measures for the Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are true and compliant; restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors security deposits have been relaxed; under the prerequisite of ensuring true and compliant use of funds and complying with the prevailing administrative provisions on use of income under the capital account, eligible enterprises in the pilot area are also allowed to use income under the capital account, such as capital funds, foreign debt, and proceeds from overseas listing, for domestic payment without the need of providing materials to the bank in advance for authenticity verification on an item by item basis.

The SAFE promulgated and implemented the Circular on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) on April 10, 2020, which stipulates that, under the prerequisite of ensuring true and compliant use of funds and complying with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to use income under the capital account, such as capital funds, foreign debt, and proceeds from overseas listing, for domestic payment without the need of providing materials to the bank in advance for authenticity verification on an item by item basis.

According to the Notice on Further Deepening Reforms to Facilitate Cross-Board Trade and Investment (《關於進一步深化改革促進跨境貿易投資便利化的通知》), which was promulgated and implemented by the SAFE on December 4, 2023, the equity transfer consideration funds in foreign currency received by a domestic equity transferor (including institutions and individuals) from domestic entities, as well as the foreign exchange funds raised by domestic enterprises through overseas listing, may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion.

In accordance with the Guidelines for Foreign Exchange Business under Capital Accounts (2024 Edition) (《資本項目外匯業務指引(2024年版)》), which was promulgated by the SAFE on April 3, 2024 and took effect from May 6, 2024, stipulates that the funds raised by domestic enterprises through overseas listing shall, in principle, be repatriated to China in a timely manner, either in RMB or foreign currency.

PRC LAWS AND REGULATIONS RELATING TO THE SECURITIES AND OVERSEAS LISTING

Securities laws and regulations

Pursuant to the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**") promulgated by the SCNPC on December 29, 1998, which was latest revised on December 28, 2019 and took effect on March 1, 2020, activities in Mainland China securities market are comprehensively regulated, including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas listing

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures. Under Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either directly or indirectly, are required to file the filing documents with the CSRC within three working days after its application for overseas listing is submitted.

The Overseas Listing Trial Measures provides that no overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended overseas securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provision on Confidentiality**"), which became effective from March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

OVERVIEW

Our history can be traced back to December 1992, when the Company was established in Hebei province of the PRC as a state-owned enterprise named Hebei Weiyuan Industrial Co., Ltd. (河北威遠實業股份有限公司). In January 1994, our A Shares were listed on the Main Board of the Shanghai Stock Exchange (stock code: 600803) (the "**A Share Listing**"). Our Company was ultimately controlled by Shijiazhuang State-owned Assets Administration Commission ("**Shijiazhuang SAAC**") until May 2004, when ENN Group Co (a private company that is ultimately controlled by Mr. WANG Yusuo) and its concert party acquired the entire equity interests of Shijiazhuang SAAC in our Company held through Hebei Weiyuan, with approval from the State-owned Assets Supervision and Administration Commission of the State Council, and took over control of the Company.

Over the course of the past three decades, we have, through strategic expansion and development, evolved into an integrated service provider for natural gas in China, expanded our footprints in the integrated energy and value-added businesses and cemented our status as a leading intelligent ecosystem operator in the natural gas industry. According to Frost & Sullivan, we are the largest private natural gas operator in China in 2024 in terms of retail gas sales volume in 2024.

As of the Latest Practicable Date, Mr. WANG Yusuo, our Controlling Shareholder and executive Director, was interested in an aggregate of 2,243,449,808 A Shares, representing approximately 72.44% of our total issued share capital and approximately 72.58% of the voting power at general meetings of our Company (excluding the 6,034,980 A Shares held by our Company as treasury Shares). For details of Mr. WANG Yusuo's background, see "Directors and Senior Management" and "Relationship with Controlling Shareholders" in this Document. For further details of the treasury Shares, see "Share Capital — Our Shares" in this Document.

KEY DEVELOPMENT MILESTONES

The following table sets out a summary of the key corporate and business development milestones of our Group:

Year	Event
1992	• Our Company was established in Hebei province of the PRC as a state-owned enterprise named Hebei Weiyuan Industrial Co., Ltd. (河北威遠實業股份有限公司)
1994	• Our A Shares were listed on the Main Board of the Shanghai Stock Exchange
1999	• Our Company was renamed as Hebei Weiyuan Bio-Chemical Co., Ltd. (河北威遠生物化工股份有限公司)
2004	• ENN Group Co and its concert party acquired Hebei Weiyuan's entire equity interests in our Company with approval from the State-owned Assets Supervision and Administration Commission of the State Council and the CSRC

Year	Event
2011	• We expanded our footprint into the energy and chemical industry and advanced our dimethyl ether business through acquiring companies operating in the relevant industries
2013	• We advanced our coal and methanol businesses through acquiring the entire equity interests in Xinneng Mining, which owns the mining right of Wangjiata Coal Mine
2014	• Our Company was renamed to ENN Ecological Holding Co., Ltd. (新奥生態控股股份有限公司)
	• We formally entered the clean energy industry through our acquisition of a 45% stake in CNOOC ENN (Beihai) Gas Co., Ltd. (中海油新奥(北海)燃氣有限公司) and the entire equity interests in Shanxi Qinshui ENN Gas Co., Ltd. (山西沁水新奥燃氣有限公司)
2015	• We expanded our operations into the field of energy engineering services through our acquisition of Xindi Energy Engineering Technology Co., Ltd. (新地能源工程技術有限公司)
2016	• We expanded our overseas natural gas upstream resources through our acquisition of a 11.72% stake in Santos Limited, a global energy company that is listed on the Australian Securities Exchange (stock code: STO.AX)
2020	• We implemented a material asset restructuring to acquire and consolidate ENN Energy as our subsidiary to create an integrated industry chain of our upstream and downstream natural gas businesses. We disposed of our entire equity interest in Santos Limited as part of the consideration for such material asset restructuring
	• Our Company was renamed to ENN Natural Gas Co., Ltd. (新奥天然氣股份有限公司)
2022	• We acquired 90% shareholding of ENN Zhoushan which owned the Zhoushan LNG Receiving Terminal. This marks the completion of our strategic move in consolidating the upstream, midstream and downstream value chains across our entire industry chain
2023	• We disposed of the entire equity interest in Xinneng Mining to Guangdong Panhong as a strategic move to focus on our main natural gas business

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, our Company had over 1,000 directly and indirectly owned subsidiaries. The following sets out the place of establishment or incorporation and date of establishment or incorporation and principal business activities of our major subsidiaries that made a material contribution to our results of operations during the Track Record Period:

Name of major subsidiary	Place of establishment/ incorporation	Date of establishment/ incorporation	Equity interest attributable to our Group	Principal business
ENN LNG (SINGAPORE) PTE LTD	Singapore	September 11, 2019	100%	LNG marketing and sales, shipping and ship leasing services
ENN (Zhoushan) LNG Co., Ltd. (新奥(舟山)液化天然氣有限公司)	PRC	May 15, 2013	90%	Construction and operation of LNG terminals
ENN (China) Gas Investment Limited (新奥(中國)燃氣投資有限公司)	PRC	January 8, 2004	34.28%	Investment holding
ENN Energy Holdings Limited	Cayman Islands	July 20, 2000	34.28%	Investment holding
ENN LNG Trading Company Limited	Hong Kong	November 12, 2014	34.28%	Sourcing and sales of LNG
ENN Global Trading Pte. Ltd.	Singapore	December 23, 2020	34.28%	Sourcing and sales of LNG
ENN Energy Trading Company Limited (新奥能源貿易有限公司)	PRC	May 11, 2006	34.28%	Sourcing and sales of LNG
Xinneng (Hong Kong) Energy Investment Limited 新能(香港)能源投資有限公司	Hong Kong	November 4, 2013	100%	Investment holding
ENN (Tianjin) Energy Investment Co., Ltd. (新奥(天津)能源投資有限公司)	PRC	September 29, 2019	100%	Investment holding
ENN Xinneng (Zhejiang) Energy Trading Co., Ltd. (新奥新能(浙江)能源貿易有限公司)	PRC	September 4, 2020	100%	Sourcing and sales of LNG
Haomaiqi E-Commerce Co., Ltd. (好買氣電子商務有限公司)	PRC	May 26, 2015	51%	Development and operation of professional internet platforms

Name of major subsidiary	Place of establishment/ incorporation	Date of establishment/ incorporation	Equity interest attributable to our Group	Principal business
Xindi Energy Engineering Technology Co., Ltd. (新地能源工程技術有限公司)	PRC	April 7, 1999	100%	Energy engineering and construction
Ningbo Chengji Energy Trading Company Limited (寧波城際能源貿易有限公司)	PRC	May 15, 2018	34.28%	Sourcing and sales of LNG
Dongguan ENN Gas Co., Ltd. (東莞新奧燃氣有限公司)	PRC	June 30, 2003	18.85%	Gas business, gas pipeline infrastructure construction and sale of piped gas and gas appliance
Langfang ENN Intelligent Technology Company Limited (廊坊新奧智能科技有限公司)	PRC	June 24, 2001	34.28%	Development and retail sale of smart gas equipment
Shijiazhuang ENN Energy Development Co., Ltd. (石家莊新奧能源發展有限公司)	PRC	June 21, 2012	20.57%	Heat production and supply and provision of integrated energy services
ENN Finance Company Limited (新奧財務有限責任公司)	PRC	April 14, 2011	34.28%	Provision of financial services and finance company services

For further details of our major subsidiaries, see "— Corporate Structure" in this section and Note 54 to the Accountants' Report as set out in Appendix I in this Document.

For details of changes in the registered capital of our subsidiaries, see "Statutory and General Information — A. Further Information about our Group — 3. Changes in Share Capital of our Major Subsidiaries" in Appendix VI to this Document.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Early Development of our Company

Our Company was established on December 29, 1992 with the name of Hebei Weiyuan Industrial Co., Ltd. (河北威遠實業股份有限公司) by our promoters, Shijiazhuang Regional Building Materials Plant No. 1 (石家莊地區建築材料一廠), Shijiazhuang Regional Building Materials Plant No. 2 (石家莊地區建築材料二廠) and Shijiazhuang Regional High Voltage Switch Plant (石家莊地區高壓開關廠) pursuant to relevant regulations of Hebei Provincial Economic System Reform Commission in the PRC. Hebei Weiyuan Industrial Co., Ltd. (河北威遠實業股份有限公司) had a registered capital of RMB37,200,000 divided into 37,200,000 shares.

A Share Listing in 1994

On January 3, 1994, our A Shares were listed on the Main Board of the Shanghai Stock Exchange. In connection with the A Share Listing, we issued an aggregate of 20,000,000 A Shares to public A Shareholders. The then shareholding structure of our Company immediately following the completion of our A Share Listing was as follows:

Description of shares	Number of shares	Approximate percentage of shareholding
Unlisted state-owned shares	30,200,000	52.80%
Unlisted internal employee shares	7,000,000	12.24%
A Shares	20,000,000	34.97%
Total	57,200,000	100.00%

Subsequent Capital Increases and Rights Issue from 1994 to 1999

The Company implemented its profit distribution plans for the years 1993, 1994 to 1995 and 1998 in April 1994, May 1996 and December 1998, respectively, each comprising a bonus issue of A Shares and unlisted state-owned shares. Upon the completion of the bonus issue in December 1998, the total issued share capital of the Company increased to RMB105,675,360 divided into 105,675,360 shares.

On October 18, 1999, pursuant to approval from the CSRC, the Company completed a bonus issue of 12,546,353 A Shares to all shareholders based on the ratio of 3 new Shares for every 10 shares held by the then shareholders, as a result of which our registered capital was further increased to RMB118,221,713 divided into 118,221,713 shares. The then shareholding structure of our Company immediately following the completion of the placing was as follows:

Shareholder	Number of shares	Approximate percentage of shareholding
Hebei Weiyuan[1]	52,125,713 unlisted shares	44.09%
A Shareholders	66,096,000 A Shares	55.91%
Total	118,221,713	100.00%

Note:

(1) In October 1997, the relevant authorities in Hebei Province approved the establishment of Hebei Weiyuan for the purpose of holding the state-owned equity in the Company. Accordingly, since October 1997, all of the unlisted state-owned shares were transferred to Hebei Weiyuan, which was then wholly owned by Shijiazhuang SAAC. For further details of the disposal by Shijiazhuan SAAC of its entire equity interests in Hebei Weiyuan to entities controlled by Mr. WANG Yusuo (our Controlling Shareholder) in 2004, see the paragraph headed "Change in Control of the Company in 2004" below.

Change in Control of the Company in 2004

On May 31, 2003, the Office of the Shijiazhuang SAAC entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with ENN Group Co and Shijiazhuang ENN Investment Co., Ltd. (石家莊新奧投資有限公司, "**Shijiazhuang ENN Investment**"), pursuant to which Shijiazhuang SAAC agreed to transfer 80% and 20% of its equity interest in Hebei Weiyuan to ENN Group Co and Shijiazhuang ENN Investment, respectively. Each of ENN Group Co and Shijiazhuang ENN Investment is ultimately controlled by Mr. WANG Yusuo, one of our Controlling Shareholders.

Simultaneously, Shijiazhuang SAAC, ENN Group Co and Hebei Weiyuan also entered into an operation and management entrustment agreement, pursuant to which Shijiazhuang SAAC and Hebei Weiyuan entrusted ENN Group Co with the operation and management of the overall assets of Hebei Weiyuan.

In 2004, upon the approval from the State-owned Assets Supervision and Administration Commission of the State Council, Hebei Weiyuan was converted into a limited liability company, and its entire shareholding in the Company was thereby converted from unlisted state-owned shares into unlisted non-state-owned shares. Upon such conversions, Mr. WANG Yusuo controlled the 52,125,700 shares held by Hebei Weiyuan (representing approximately 44.09% of the then share capital of the Company) and became our Controlling Shareholder. On April 17, 2006, as part of our equity division reform, all of the unlisted non-state owned shares held by Hebei Weiyuan were converted into A Shares, of which 16,524,000 A Shares were distributed to the then other A Shareholders. The then shareholding structure of our Company immediately following the completion of the equity division reform was as follows:

A Shareholder	Number of A Shares	Approximate percentage of shareholding
Hebei Weiyuan	35,601,713	30.11%
Other A Shareholders	82,620,000	69.89%
Total	118,221,713	100.00%

Rights issue in 2006

On May 30, 2006, the Company approved the implementation of its 2005 Profit Distribution Proposal and Capital Reserve Capitalization Plan, pursuant to which 10 new A Shares were issued for every 10 A Shares held by the then A Shareholders, on the basis of the issued share capital of the Company as at December 31, 2005 and by way of capitalizing the capital reserve of the Company. Upon the completion of such share issuance, the total issued share capital of the Company increased to RMB236,443,426 divided into 236,443,426 A Shares.

Major Asset Restructuring from 2010 to 2011

On December 27, 2010, CSRC approved the proposed acquisition of assets related to the production and operation of dimethyl ether from ENN Investment by the Company by way of issuing 75,388,977 A Shares to ENN Investment. Pursuant to the relevant share issuance and asset purchase agreement entered into between the Company and ENN Investment, ENN Investment subscribed for 75,388,977 A Shares using its (i) 75% equity interest in Xinneng (Zhangjiagang) Energy Co., Ltd. (新能(張家港)能源有限公司) and (ii) 100% equity interest in Xinneng (Bengbu) Energy Co., Ltd. (新能(蚌埠)能源有限公司) as consideration.

Upon the completion of such share subscription in January 2011, the total issued share capital of the Company increased to RMB311,832,403 divided into 311,832,403 A Shares.

Further Share Issuance for Asset Purchase and Fundraising in 2013

In July 2013, pursuant to approval from the CSRC and as consideration for the acquisition by the Company of the entire equity interest in Xinneng Mining, the Company issued a total of 610,200,364 A Shares to seven counterparties, comprising an issuance of (i) 229,872,495 A Shares to ENN Investment, (ii) 98,360,656 A Shares to Beijing ENN CCB Energy Development Equity Investment Fund (Limited Partnership) (北京新奧建銀能源發展股權投資基金(有限合夥)), (iii) 78,688,525 A Shares to Langfang Heyuan, (iv) 100,182,149 A Shares to Taoshi Energy Equity Investment Fund (Shanghai) Partnership Enterprise (Limited Partnership) (濤石能源股權投資基金(上海)合夥企業(有限合夥)), (v) 63,752,277 A Shares to Shenzhen Ping'an Innovation Capital Investment Co., Ltd. (深圳市平安創新資本投資有限公司), (vi) 19,672,131 A Shares to Legend Holdings Corporation (聯想控股股份有限公司), and (vii) 19,672,131 A Shares to Oceanwide Energy Holdings Co., Ltd. (泛海能源控股股份有限公司) (formerly known as Oceanwide Energy Investment Co., Ltd. (泛海能源投資股份有限公司)).

In December 2013, pursuant to approval from the CSRC, the Company issued a total of 63,752,276 new A Shares to Tianhong Asset Management Co., Ltd. (天弘基金管理有限公司) and Ping An UOB Fund Management Company Limited (平安大華基金管理有限公司) for fundraising purpose.

Immediately upon the completion of the abovementioned share issuances, the total issued share capital of the Company increased to RMB985,785,043 divided into 985,785,043 A Shares.

Rights issue in 2018

On May 14, 2018, the Company completed a rights issue to the then A Shareholders based on the issued share capital of the Company as at February 1, 2018, pursuant to which 2.5 new A Shares were issued for every 10 A Shares held by the then A Shareholders, at a subscription price of RMB9.33 per A Share. Upon the compilation of the rights issue, the total issued share capital of Company increased to RMB1,229,355,783 divided into 1,229,355,783 A Shares.

Further Share Issuance for Asset Purchase and Fundraising from 2020 to 2022

On September 18, 2020, pursuant to approval from the CSRC and as consideration for the acquisition by the Company of 369,175,534 ENN Energy Shares, the Company issued 1,370,626,680 A Shares to EGII at a subscription price of RMB9.67 per A Share. Upon the completion of such transaction, the financial results of ENN Energy is consolidated into the financial statements of the Group.

On February 2, 2021, pursuant to approval from the CSRC, the Company completed a private placing of a total of 245,871,156 A Shares to 18 investors (including, among others, JP Morgan Chase Bank, National Association and GF Fund Management Co., Ltd.) at a price of RMB12.50 per A Share.

On July 29, 2022, pursuant to approval from the CSRC and as consideration for the Zhoushan Acquisition, further details of which are set out in the paragraph headed "Major Acquisitions, Disposals and Mergers — Zhoushan Acquisition" below, the Company issued 248,257,839 A Shares (subsequently adjusted to 252,808,988 A Shares following the completion of the 2021 annual profit distribution by Company on August 2, 2022) to ENN Technology.

Upon the completion of the abovementioned share issuances, the total issued share capital of the Company increased to RMB3,098,662,607 divided into 3,098,662,607 A Shares.

Other Shareholding Changes from 2023 and up to the Latest Practicable Date

Subsequently, from 2023 and up to the Latest Practicable Date, we completed various rounds of repurchase and cancellation of A Shares pursuant to the restricted share incentive schemes adopted by the Board from time to time. For details of change of share capital of our Company within the two years immediately preceding the date of this Document, see "Statutory and General Information — A. Further information about our Group — 2. Changes in Share Capital of our Company" in Appendix VI to this Document.

As of the Latest Practicable Date, the total issued share capital of our Company consisted of 3,097,087,607 A Shares (including 6,034,980 A Shares as treasury Shares), all of which are listed on the Main Board of the Shanghai Stock Exchange. For further details of the treasury Shares, see "Share Capital — Our Shares" in this Document.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Zhoushan Acquisition

In August 2022, pursuant to the Zhoushan Acquisition, we acquired 90% shareholding of ENN Zhoushan, which owned and operated the Zhoushan LNG Receiving Terminal, from ENN Technology, ENN Group Co and ENN Investment, marking a strategic milestone in consolidating our full-chain capabilities across the entire natural gas value chain. Immediately before the completion of the Zhoushan Acquisition, ENN Zhoushan was owned as to (i) 70% by ENN Technology, (ii) 15% by ENN Group Co, (iii) 5% by ENN Investment, and (iv) 10% by Prism Energy International Pte. Ltd., an Independent Third Party. Each of ENN Technology, ENN Group Co and ENN Investment is ultimately controlled by Mr. WANG Yusuo, our Controlling Shareholder.

The total consideration for the Zhoushan Acquisition was RMB8.55 billion, among which (i) RMB4.275 billion was settled by way of issuance of 252,808,988 A Shares to ENN Technology on August 16, 2022 to acquire its 45% equity interest in ENN Zhoushan; and (ii) the remaining portion in the amount of RMB4.275 billion was settled by cash between September 14, 2022 and October 26, 2022 to fund the acquisition of 25%, 15% and 5% equity interests in ENN Zhoushan held by ENN Technology, ENN Group Co, and ENN Investment, respectively. The consideration for the Zhoushan Acquisition was determined on an arm's length basis among the parties thereto with reference to the appraised value of the total shareholders' equity of ENN Zhoushan as at December 31, 2021 prepared by an independent valuation institution based on the asset-based approach and income approach.

For further details of the Zhoushan Acquisition, including but not limited to the reasons for and benefits of the Zhoushan Acquisition and its impact on the business of the Company, see "Business — Our Business — Natural Gas Sales Business — Midstream Processing, Storage and Transmission — Zhoushan LNG Receiving Terminal" in this Document.

As confirmed by our PRC Legal Advisor, as of the Latest Practicable Date, the Zhoushan Acquisition had been properly and legally completed.

Xinneng Mining Disposal

In furtherance of the natural gas business of the Company and to optimize the structure of the assets of the Company, the Company completed the Xinneng Mining Disposal on October 19, 2023, pursuant to which we disposed of the entire equity interest in Xinneng Mining, which is principally engaged in production and sales of coal products and owns the mining right of Wangjiata Coal Mine, to Guangdong Panhong.

The total consideration for the Xinneng Mining Disposal was RMB6.67 billion, which was settled by cash between August 9, 2023 and October 13, 2023. The consideration for the Xinneng Mining Disposal was determined on an arm's length basis among the parties thereto with reference to the appraised value of the total shareholders' equity of Xinneng Mining as at May 31, 2023 prepared by an independent valuation institution based on the asset-based approach and income approach. Guangdong Panhong was an Independent Third Party.

For further details of the Xinneng Mining Disposal, including but not limited to the reasons for and benefits of the Xinneng Mining Disposal and its impact on the business of the Company, see the sections headed "Business — Our Business — Energy Production" and "Financial Information — Principal Components of Consolidated Statement of Profit or Loss and other Comprehensive Income — Profit for the Year from Discontinued Operation" in this Document.

As confirmed by our PRC Legal Advisor, as of the Latest Practicable Date, the Xinneng Mining Disposal had been properly and legally completed.

THE PRIVATIZATION PROPOSAL

The Offeror, a wholly-owned subsidiary of the Company, has made the Privatization Proposal to privatize ENN Energy by way of a scheme of arrangement under section 86 of the Cayman Companies Act. Upon fulfillment or waiver (as applicable) of the conditions to the Privatization Proposal as set forth in detail in the Scheme Document and the Scheme becoming effective, all of the Scheme Shares will be cancelled and the Scheme Shareholders whose names appear on the register of members of ENN Energy on the Scheme Record Date will be entitled to receive, for every Scheme Share being cancelled, [**REDACTED**] new ENN-NG H Shares to be issued by our Company [(except for ENN Energy Non-Qualifying Overseas Shareholders)] and HK$24.50 to be paid by the Offeror in cash.

The Share Exchange Ratio for the ENN-NG H Share Consideration (being [**REDACTED**] new ENN-NG H Shares for every Scheme Share cancelled) and the Cash Consideration of HK$24.50 for every Scheme Share cancelled were determined on commercial basis after taking into account, among other things:

(a). the theoretical value of the ENN-NG H Shares and the Cash Consideration for each Scheme Share under the Privatization Proposal, which is attractive for the Scheme Shareholders;

(b). the historical business and financial performance of ENN-NG and ENN Energy;

(c). the prevailing and historical market price levels of ENN-NG and ENN Energy and the historical and current trading multiples of certain of their respective comparable companies;

(d). the business potential of the Enlarged ENN-NG Group after the Privatization Proposal takes effect and the potential benefits of the [**REDACTED**] and the Privatization Proposal for the A Shareholders and ENN Energy Shareholders;

(e). the fact that ENN-NG H Shares are being offered as consideration under the Scheme, and that following [**REDACTED**] of the [**REDACTED**] and the Privatization Proposal, the privatized ENN Energy will become an indirect wholly-owned subsidiary of ENN-NG. Thus, Scheme Shareholders will be able to continue to participate in the performance of ENN Energy indirectly; and

(f). the fact that the Cash Consideration could provide a certain level of liquidity to the Scheme Shareholders, while the Group could retain sufficient resources to support its future operations and expansion after the [**REDACTED**] of the Privatization Proposal.

In addition, the Offeror has made the ENN Energy Share Option Offer, which is conditional upon the Scheme becoming effective, to the ENN Energy Share Option Holders to cancel all ENN Energy Share Options for [**REDACTED**] in cash for each ENN Energy Share Option with the exercise price of HK$40.34 and [**REDACTED**] in cash for each ENN Energy Share Option with the exercise price of HK$76.36 in accordance with Rule 13 of the Takeovers Code.

The consideration for the cancellation of each ENN Energy Share Option represents the "see-through" price, which is the excess of the theoretical value of the Cancellation Consideration of [**REDACTED**] over the relevant exercise price of the ENN Energy Share Options.

Upon the fulfillment (or waiver, as applicable) of the conditions to the Privatization Proposal and following completion of the Privatization Proposal:

(a). the listing of ENN Energy Shares on the Hong Kong Stock Exchange will be withdrawn;

(b). the ENN-NG H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange;

(c). Scheme Shareholders will receive the Cash Consideration;

(d). Scheme Shareholders [(except for ENN Energy Non-Qualifying Overseas Shareholders)] will become holders of ENN-NG H Shares; and

(e). the privatized ENN Energy will become an indirect wholly-owned subsidiary of ENN-NG.

For details of the expected timetable and the reasons of the Privatization Proposal, please refer to the sections headed "Expected Timetable" and "Benefits of the [**REDACTED**] and the Privatization" in this Document, respectively.

Save as disclosed above, throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any other major acquisitions, disposals or mergers.

OUR A SHARE LISTING AND REASONS FOR THE [REDACTED]

Since January 1994, our A Shares have been listed on Main Board of the Shanghai Stock Exchange. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of any material non-compliance with the applicable rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to our compliance record on the Shanghai Stock Exchange that should be brought to the attention of the Hong Kong Stock Exchange or potential investors of the Company. Our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of any material non-compliance with the applicable rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations.

Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view above, no material matter has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of our Company on the Shanghai Stock Exchange.

We seek to [**REDACTED**] our H Shares on the Hong Kong Stock Exchange in order to offer valuable and liquid consideration in the form of H Shares for the Privatization. The [**REDACTED**] of the [**REDACTED**] also allows our Company to, among others, achieve synergies between the upstream and downstream natural gas businesses operated by the Company and ENN Energy, improve operational efficiency and strengthen its capital market appeal. For further details, see "Benefits of the [**REDACTED**] and the Privatization" in this Document.

PUBLIC FLOAT

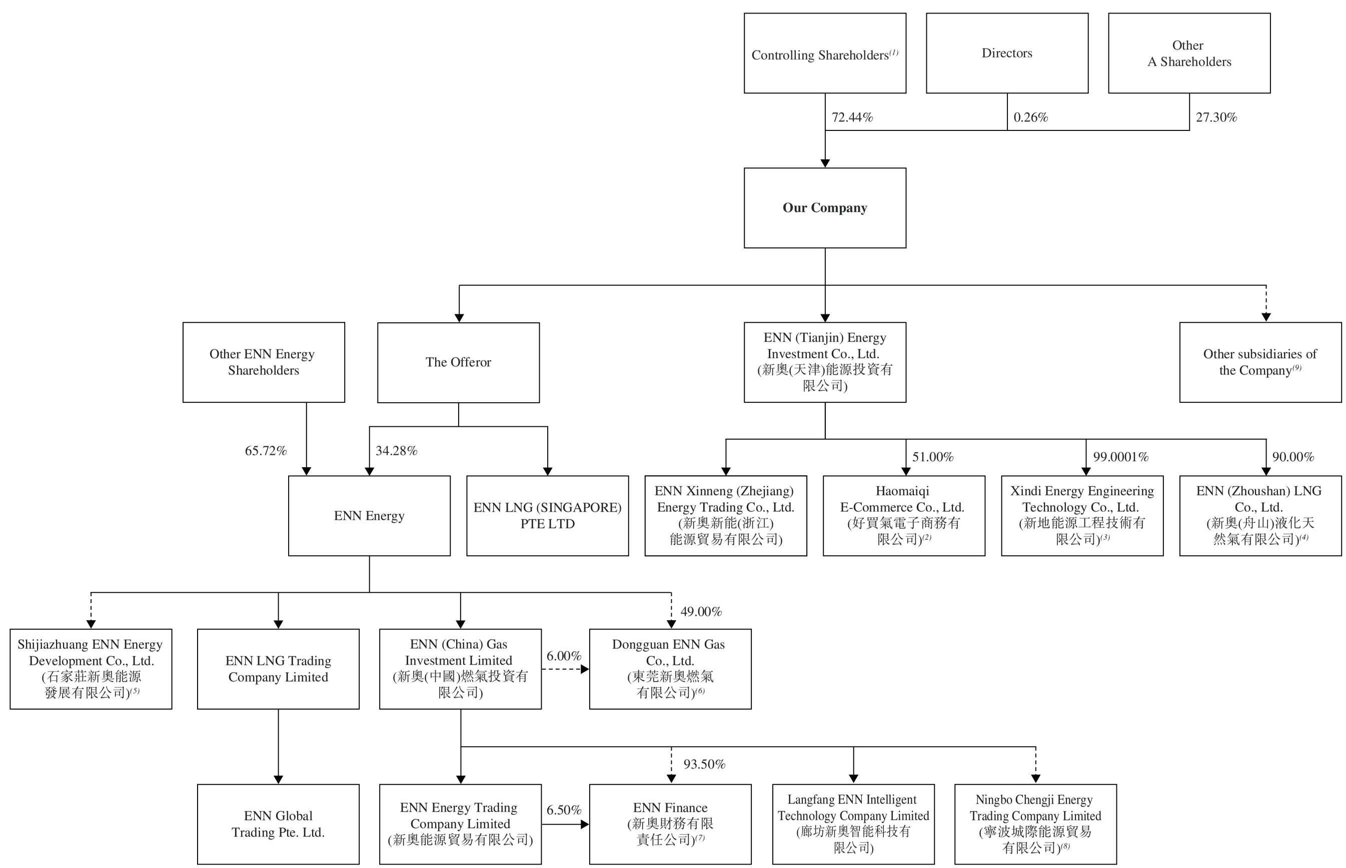
Pursuant to Rules 8.08(1)(b) and 19A.13A of the Listing Rules, as our Company has one class of securities or more apart from the class of securities for which [**REDACTED**] is sought, the total securities of our Company held by the public at the time of [**REDACTED**] must be at least 25% of the total number of issued Shares (excluding treasury Shares), and the total number of H Shares for which [**REDACTED**] is sought must not be less than 15% of our Company's total number of issued Shares (excluding treasury Shares).

It is expected that upon [**REDACTED**], at least 25% of the total number of issued Shares of our Company (excluding treasury Shares) will be held by the public, and the total number of [**REDACTED**] H Shares of our Company held by the public will represent at least 15% of the total number of issued Shares of our Company (excluding treasury Shares). Therefore, our Company will be able to meet the minimum public float requirement under Rules 8.08(1)(b) and 19A.13A.

CORPORATE STRUCTURE

Corporate Structure as of the Latest Practicable Date

Below is a simplified diagram illustrating our corporate structure as of the Latest Practicable Date. Certain entities that are immaterial to our Group's results of operations, business and financial condition are omitted. Except as otherwise specified, equity interests depicted in this diagram are held as to 100%.



Notes:

(1) For further details of the shareholdings of our Controlling Shareholders in our Company, see the sections headed "Relationship with Controlling Shareholders" and "Substantial Shareholders."

(2) As at the Latest Practicable Date, Haomaiqi E-Commerce Co., Ltd. (好買氣電子商務有限公司) was held as to (i) 51.00% by ENN (Tianjin) Energy Investment Co., Ltd. (新奧(天津)能源投資有限公司) and (ii) 49.00% by ENN Xinzhi.

(3) As at the Latest Practicable Date, Xindi Energy Engineering Technology Co., Ltd. (新地能源工程技術有限公司) was held as to (i) 99.0001% by ENN Tianjin and (ii) 0.9999% by a subsidiary of the Company which was indirectly held as to (i) 85% by ENN Tianjin and (ii) 15% by ENN (China) Gas Investment Limited (新奧(中國)燃氣投資有限公司) ("**ENN China**").

(4) As at the Latest Practicable Date, ENN (Zhoushan) LNG Co., Ltd. (新奧(舟山)液化天然氣有限公司) was held as to 90.00% by ENN Tianjin and (ii) 10.00% by Prism Energy International Pte. Ltd, an Independent Third Party.

(5) As at the Latest Practicable Date, Shijiazhuang ENN Energy Development Co., Ltd. (石家莊新奧能源發展有限公司) was held as to 100% by a subsidiary of ENN Energy.

(6) As at the Latest Practicable Date, Dongguan ENN Gas Co., Ltd. (東莞新奧燃氣有限公司) was held as to (i) 49.00% by an indirectly wholly owned subsidiary of ENN Energy, (ii) 45.00% by an entity ultimately owned by Dongguan People' Government State-owned Assets Supervision and Administration Commission (東莞市人民政府國有資產監督管理委員會), and (iii) 6.00% by a wholly owned subsidiary of ENN China.

(7) As at the Latest Practicable Date, ENN Finance was held as to (i) 79.50% by ENN China, (ii) 14.00% by wholly owned subsidiaries of ENN China, and (iii) 6.50% by ENN Energy Trading Company Limited (新奧能源貿易有限公司).

(8) As at the Latest Practicable Date, Ningbo Chengji Energy Trading Company Limited (寧波城際能源貿易有限公司) was held as to 100% by a wholly owned subsidiary of ENN China.

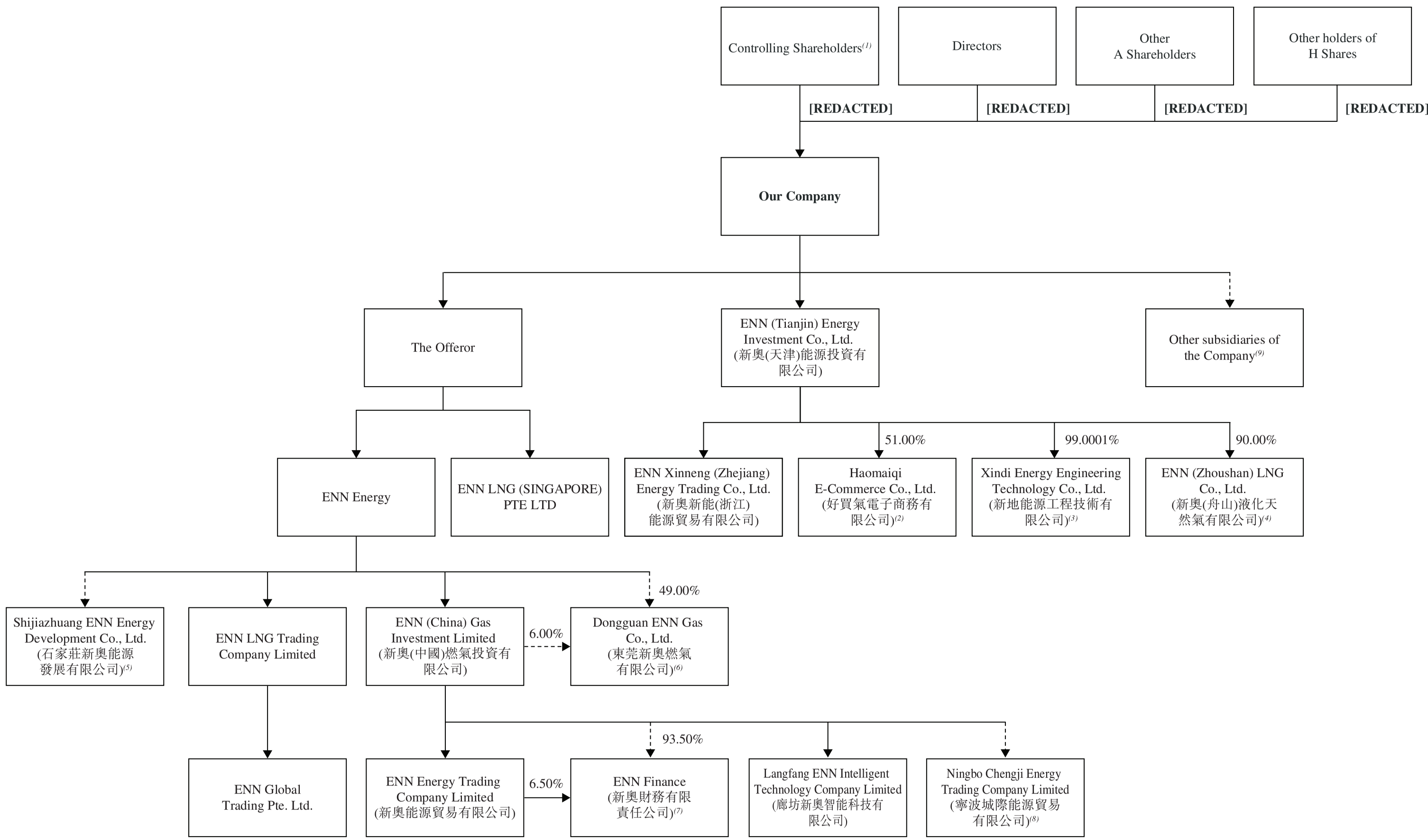
(9) As of the Latest Practicable Date, our Company had over 1,000 directly and indirectly owned subsidiaries.

(10) All percentages in the above diagram are approximations and rounded to the nearest 2 decimal places. The aggregate percentages may not add up due to such rounding.

(11) Dotted lines depict indirect shareholding.

Corporate Structure Immediately Following the [REDACTED] of the [REDACTED] and the Privatization

Below is a simplified diagram illustrating our corporate structure immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization (assuming that there are no other changes to the issued share capital of the Company and ENN Energy and holdings of our Shares and ENN Energy Shares between the Latest Practicable Date and the [**REDACTED**]). Certain entities that are immaterial to the Group's results of operations, business and financial condition are omitted. Except as otherwise specified, equity interests depicted in this diagram are held as to 100%.



Notes:

(1) For further details of the shareholdings of our Controlling Shareholders in our Company, see the section headed "Substantial Shareholders."

(2) Please refer to note (2) to the preceding diagram.

(3) Please refer to note (3) to the preceding diagram.

(4) Please refer to note (4) to the preceding diagram.

(5) Please refer to note (5) to the preceding diagram.

(6) Please refer to note (6) to the preceding diagram.

(7) Please refer to note (7) to the preceding diagram.

(8) Please refer to note (8) to the preceding diagram.

(9) Please refer to note (9) to the preceding diagram.

(10) All percentages in the above diagram are approximations and rounded to the nearest 2 decimal places. The aggregate percentages may not add up due to such rounding.

(11) Dotted lines depict indirect shareholding.

BENEFITS OF THE [REDACTED] AND THE PRIVATIZATION

Background of and reasons for the Privatization Proposal and the [REDACTED]

The Company strives to further its development as an integrated and intelligent ecological natural gas operator through its integration with ENN Energy by way of the Privatization Proposal, with the goal of unlocking business growth potential and strengthening its leading position in the industry through the [**REDACTED**], and believes that this could be achieved on the following basis:

Opportunities and challenges in the natural gas industry prompting further integration of the industry chain

The natural gas industry has broad development prospects and is currently at an important juncture with ample growth opportunities. Driven by the accelerated global low-carbon transition and the PRC's determination to implement its dual carbon strategies, both the domestic and international natural gas markets are witnessing robust development trends. According to the International Energy Agency, global natural gas demand reached an unprecedented high of approximately 4,200 billion cubic meters in 2024 and is expected to reach 4,500 billion cubic meters by 2030. Asia is the primary driver behind the growth in global natural gas demand, accounting for over 50% of the increased demand. Developments in the domestic natural gas market are even more noteworthy, given that natural gas is a crucial alternative energy resource for the PRC to achieve its targets of "peaking carbon emissions by 2030" and "achieving carbon neutrality by 2060". The Chinese government has set clear objectives for the share of natural gas in the national primary energy consumption, aiming to achieve 15% by 2030. According to statistics from the National Development and Reform Commission of the PRC, driven by the dual-carbon strategy, the apparent natural gas consumption in the PRC in 2024 reached 426.1 billion cubic meters, representing a year-on-year increase of 8%.

The thriving natural gas industry has not only brought opportunities but also posed certain challenges. Natural gas operators urgently required to further the integration of its upstream and downstream resources to better respond to changes in the industry.

Strengthening complementary advantages to meet the diversified customer demands arising under new market conditions

The Company demonstrates distinct advantages in acquiring upstream natural gas resources as well as in its well-established midstream infrastructure operation. It has built a high quality pool of domestic and international natural gas resource pool, supported by its Zhoushan LNG terminal as a key leverage point. The Company strengthened its strategic cooperation with the Three Major Oil Companies in various ways, including for example entering into long-term contract to secure its upstream natural gas supply. In addition, the Company has dynamically optimized the flow of international LNG resources. As of now, it has signed overseas LNG long-term contracts for more than 10 million tons per year. The Zhoushan

LNG terminal currently has an actual processing capacity of 7.5 million tons per year, which is expected to exceed 10 million tons per year after the completion of its Phase III construction in 2025. In 2024, the unloading volume of the Zhoushan LNG terminal was 2.4 million tons. The natural gas business of ENN Energy focuses on domestic distribution, with city gas projects spreading across 20 provinces in the PRC, serving over 270,000 industrial and commercial customers and more than 31 million residential users. Upon the integration between the Company and ENN Energy, the Company can fully leverage its strong pool of natural gas resources and the storage and transportation capacities of its LNG terminals to provide effective support to ENN Energy in responding to changes in downstream customer demands. Meanwhile, most of the projects undertaken by ENN Energy are located in economically developed areas such as Zhejiang, Jiangsu, Shandong, Guangdong, Fujian, and Anhui, which are advantageous markets for distribution of imported LNG. Through swapping of LNG resources, ENN Energy can also reach markets across the PRC. The integration between the Company and ENN Energy is expected to provide a solid foundation for business expansion while ensuring that ENN Energy can meet its customer demands. In addition, the Company can utilize its upstream gas sources to address the customer demands of ENN Energy, further expanding its resource pool and improving the efficiency of its LNG terminals, thereby creating a business model that capitalizes on the coordinated development of the "dual circulation" of both domestic and international markets.

Through the implementation of the Privatization Proposal, the strengths of the Company and ENN Energy will be further integrated and complemented, which is conducive to strengthening the competitive edge to navigate the evolving market conditions and achieve efficient resource allocation and seamless integration of business operations, thereby better addressing changes in the natural gas industry and meeting the diversified needs of customers.

Leveraging the natural gas comprehensive advantage to effectively hedge risks and seize opportunities

The Company has established comprehensive advantages in the natural gas sector, including its customer base, domestic and international LNG resource pools, infrastructure leverage points, and its international risk management system. With respect to customer base, with its city gas franchise rights, the Company can expand its clientele both internationally and domestically. With respect to domestic and international LNG resource pools, the long-term natural gas resources held by the Company can serve as a "ballast" for ENN Energy's natural gas businesses, facilitating stabilization of gas supply, hedge against market fluctuations in gas prices, and enhancing the stability of its business operations. In terms of infrastructure leverage points, the Company can leverage the strategic role of the Zhoushan LNG terminal to connect both international and domestic markets. In terms of the risk control system, the Company can strengthen its hedging capabilities and risk control capabilities, utilize both domestic and international markets to achieve diversified revenue streams, hedge against risks and maintain overall balance and stability in its businesses.

Through the Privatization and the [**REDACTED**], the Company can better hedge against risks and seize opportunities. For example, when LNG prices are high, the Company may focus on European market demand and prioritize international sales through long-term contracts. Additionally, the Company can optimize its resource pool and shipment allocation to meet the domestic demands, considering the costs and revenue generated from imports. In periods of declining LNG prices, the Company may proactively engage in market development with a view to support the import of LNG, attracting medium- to long-term customers through innovative approaches such as "shipment crowdfunding + options trading," "flexible + dynamic portfolio supply of multiple resources," "resource custodianship + hedging" and "peak-shaving + stable services." This reduces the impact of market price fluctuations and enhances its ability to withstand risks.

Currently, the Company and ENN Energy operate as independent listed entities. This requires the Company and ENN Energy to maintain independent and separate management functions, capital pools and liquidity reserves. In addition, given their independent listing statuses, transactions between them are currently subject to applicable requirements in respect of connected transactions under the Listing Rules, which may require approval from independent shareholders of ENN Energy.

Through the Privatization and the [**REDACTED**], the Enlarged ENN-NG Group will be able to further optimize governance efficiency, enhance capital management effectiveness, respond flexibly to synergy demands, and enhance integrated efficiency, as detailed below:

- ***Flexibility to Optimize Governance Efficiency***: upon [**REDACTED**] of the Privatization Proposal, the Enlarged ENN-NG Group will enjoy greater flexibility in optimizing its organization structure and streamlining decision-making processes, which will in turn improve operational efficiency and enhance responsiveness to rapid market changes.

- ***Enhancing Capital Management Efficiency***: the Enlarged ENN-NG Group will be able to implement unified capital management and planning and fully leverage its capital pool advantages. This will facilitate the release of liquidity, reduce capital occupation, and achieve effective control of financial expenses.

- ***Responding Flexibly to Synergy Demands***: transactions between the Company and ENN Energy will no longer be subject to requirements related to Hong Kong-listed companies' connected transactions. As such, the Enlarged ENN-NG Group will be conducive to seamless cross-entity cooperation, in turn driving synergies. In addition, the Enlarged ENN-NG Group will benefit from reduced compliance overhead associated with ongoing connected transactions.

Benefits of the [REDACTED] and the Privatization to Scheme Shareholders

The Board believes that upon the [**REDACTED**] of the Privatization Proposal, the Enlarged ENN-NG Group will offer highly attractive investment opportunities to the Scheme Shareholders. The Board believes that following the Privatization Proposal, the Scheme Shareholders will not only be able to continue investing in ENN Energy (as part of the Enlarged ENN-NG Group), which possesses a range of competitive advantages and fully enjoys the global energy transformation benefits, but also share in the potential synergy effects and business growth potential that may result from further integration between the Company and ENN Energy.

In addition to the potential for long-term capital growth, the Cancellation Consideration represents a premium of approximately [**REDACTED**] over the closing price of HK$54.20 per ENN Energy Share as quoted on the Hong Kong Stock Exchange on March 14, 2025 (being the Last Undisturbed Day (as defined in the 3.5 Announcement)), a premium of approximately [**REDACTED**] over the closing price of HK$59.45 per ENN Energy Share as quoted on the Hong Kong Stock Exchange on March 18, 2025 (being the last trading day prior to the issue of the 3.5 Announcement) and a premium of approximately [**REDACTED**] over the average closing price of approximately HK$52.92 per ENN Energy Share for the 30 trading days up to and including March 14, 2025 (being the Last Undisturbed Day (as defined in the 3.5 Announcement)). The cash payment made under the Privatization Proposal also provides an immediately realizable cash value, enabling the Scheme Shareholders to achieve a certain level of capital return from their investment. The Cash Consideration ratio under the Privatization Proposal is approximately [**REDACTED**], with a total Cash Consideration payable to Scheme Shareholders of 18,214.68 million (assuming the ENN Energy Share Option Offer is accepted in full), which exceeds the total cash dividends distributed by ENN Energy over the past 10 years.

As the issuance of ENN-NG H Shares and the cash payment under the Privatization Proposal do not require large-scale external equity fundraising, the Privatization Proposal will be less susceptible to fluctuations in the capital markets. Therefore, the Board believes that the overall offer structure is in the best interests of the Scheme Shareholders. The Board believes that the long-term potential benefits for the Scheme Shareholders include the following aspects:

Synergy in the natural gas industry chain driving business growth

Following the [**REDACTED**] of the [**REDACTED**] and the Privatization, ENN Energy will benefit from further synergies with the Company's upstream natural gas resources and its midstream storage and transportation capabilities, expand both international and domestic natural gas resource pools, and ensure a stable supply of low-cost, high-quality gas, strengthening ENN Energy's ability to satisfy the diversified customer demands and enhance customer stickiness. Furthermore, upon the [**REDACTED**] of the [**REDACTED**] and the Privatization, the two parties will accelerate the development and operation of a natural gas professional capability recognition platform, consolidate resources across the natural gas ecosystem, and leverage the intelligent technology to achieve dynamic and optimal matching between supply and demand, enables clients and ecosystem partners expand operations in a cost-effective manner. Additionally, by capitalizing on their comprehensive natural gas capabilities and IoT data, the two companies will deploy intelligent technology to create a large-scale industry model, maximize business value, enhance market competitiveness, and reinforce their leadership in the industry.

Significant improvement in operational efficiency and risk resistance capability

Once the Privatization Proposal is completed, in addition to the aforementioned benefits that the Enlarged ENN-NG Group will gain (including enhanced flexibility in optimizing its organizational structure and streamlined decision-making processes), the post-integration balance sheet of the Enlarged ENN-NG Group will be strengthened, further improving its resilience to risk, lowering financing costs and improving its operational efficiency.

Strengthening Capital Market Appeal

First, following the integration, the Enlarged ENN-NG Group will enjoy further flexibility in optimizing its organizational structure, streamlining fund allocation and simplifying decision-making processes, and transactions between the Company and ENN Energy will no longer be subject to the connected transaction approvals and restrictions for Hong Kong-listed companies. This will contribute towards the maximization of the synergies across the upstream and downstream industry chain, boost investor confidence, and enhance shareholder returns.

Second, according to the [**REDACTED**] financial information of the Group as at December 31, 2024, and the related notes thereto as set out in Appendix II to this Document, and which has been prepared in accordance with Rule 4.29 of the Listing Rules on the bases and assumptions set out therein, the [**REDACTED**] basic earnings per ENN-NG H Shares attributable to ordinary equity holders of the Enlarged ENN-NG Group for the year ended December 31, 2024 is [**REDACTED**]. On the basis of such [**REDACTED**] earnings per ENN-NG H Shares and the Share Exchange Ratio of [**REDACTED**] ENN-NG H Shares for every Scheme Share to be cancelled under the Scheme, the [**REDACTED**] basic earnings per ENN-NG H Shares which will be received after the [**REDACTED**] of the Privatization Proposal for cancellation of each Scheme Share is approximately [**REDACTED**], which represents the product of (i) such [**REDACTED**] earnings per ENN-NG H Shares and (ii) the Share Exchange Ratio. Such [**REDACTED**] earnings represents an increase of approximately [**REDACTED**] as compared to the audited basic earnings per ENN Energy Share for the year ended December 31, 2024 (as adjusted based on the Share Component Ratio) of [**REDACTED**], which represents the product of (i) the audited basic earnings per ENN Energy Share for the year ended December 31, 2024 of RMB5.35 and (ii) the Share Component Ratio. For the avoidance of doubt, such [**REDACTED**] earnings have not taken into account the Cash Consideration payable by the Offeror to the Scheme Shareholders under the Scheme. It is expected that the Enlarged ENN-NG Group will have the ability to allocate funds centrally and maintain an overall core profit dividend payout ratio of 50%, thus delivering higher returns to investors.

In this connection, the Board has considered and approved the conditional proposal of the shareholder return plan of the Company (2025-2028). The shareholder return plan of the Company (2025-2028) is set with a view to achieving sustainable development and stable shareholder return for the Company. The key considerations of the Company in determining [**REDACTED**] return plan include factors such as the revenue and operational expenses of the Company, cash flow and capital expenditure outlook, operational needs and investment and long-term planning.

The material terms of the shareholder return plan (2025-2028) of the Company being proposed include: (a) the Company should maintain a continuous and stable dividend pay-out policy; and (b) subject to satisfaction of specified conditions for dividend distribution as set out in the shareholder return plan (2025-2028), the cash dividend plan of the Company for the next four years (2025-2028) is as follows:

(i) the profits to be distributed each year by way of cash shall be not less than 10% of the distributable profits of the Company for the relevant year, and the cumulative profits distributed by the Company in the three years immediately preceding the relevant year shall not be less than 30% of the annual average distributable profits realized in such period;

(ii) the profits to be distributed in 2025 by way of cash shall represent a per share increase of not less than RMB$0.15 (before tax) as compared to the profits distributed in the immediately preceding year by way of cash, and the Company has declared dividend for the financial year of 2024 of RMB0.81 per ENN-NG A Share;

(iii) the profits to be distributed each year by way of cash shall not be less than (with respect to 2025) 30% or (with respect to 2026, 2027 and 2028) 50% of the core profits of the Company attributable to its shareholders; and

(iv) the Company may distribute its profits by way of a combination of cash and securities in accordance with the terms of the shareholder return plan (2025- 2028).

The Company has obtained the approval from A Shareholders for its shareholder return plan (2025-2028). Subject to the Privatization Proposal and the [**REDACTED**] being completed, dividend distributions of the Company for the financial years of 2025 to 2028 shall be implemented in accordance with [**REDACTED**] return plan (2025-2028). The actual amount of dividends payable (if any) each year will be recommended by the Board and depend on the financial performance and cash requirements of the Company. For the avoidance of doubt, upon the [**REDACTED**] of the [**REDACTED**], holders of the ENN-NG H Shares will not be entitled to the special dividend declared by the Company based on the gain on disposal arising from the disposal by the Company of the entire issued share capital of its subsidiary Xinneng Mining, and the declaration of such special dividend has been approved by the A Shareholders on December 26, 2023.

Third, upon [**REDACTED**] of the [**REDACTED**], the Enlarged ENN-NG Group is expected to attract additional investment, including but not limited to current A Shareholders and ENN Energy Shareholders. This will further strengthen the Enlarged ENN-NG Group's market influence and capital operation capabilities, establishing a solid foundation for long-term growth.

Following the [**REDACTED**] of the Privatization Proposal and the [**REDACTED**], the Enlarged ENN-NG Group is expected to benefit from a larger market [**REDACTED**], enhanced financial performance, reduced concerns regarding significant connected transactions between the Company and ENN Energy, and a more diversified investor base, from which ENN Energy Shareholders will also benefit.

Conclusion

The Board believes that the Privatization Proposal, through comprehensive industry chain integration and governance optimization, will create both immediate cash value and long-term investment growth potential for shareholders, and the Enlarged ENN-NG Group will be well-positioned within the intelligent energy ecosystem as a leading company in the global energy transition.

OVERVIEW

We are the largest privately-owned natural gas company in China[1], covering the entire natural gas industry chain. As an industry-leading energy enterprise, we are building on an all-scenario natural gas foundation, backed by over 30 years of operational experience. We possess an extensive and solid customer base, abundant long-term domestic and overseas supplying sources, China's largest privately-owned LNG receiving terminal[2], and the proprietary risk control and hedging trading system. We continue to deepen our business layout in the natural gas ecosystem. Meanwhile, guided by the philosophy of "customer-oriented philosophy, industry-intelligence synergy, and intelligence innovation for the future (客戶牽引、產智互促、智創未來)," we focus on our customers' evolving demands under different scenarios for low carbon energy, energy efficiency with sustainability as well as quality lifestyle experiences, and have progressively expanded our business portfolio, including integrated energy and value-added business, successfully cultivating new growth drivers for our business. We are also strategically strengthening our digital intelligence capabilities, striving to becoming a global leader in the energy transition.

The chart below demonstrates our business highlights:

Industry-leading and China's largest privately-owned natural gas company[3]

Demand Advantages[4]

Total gas sales volume of **39.2 billion** m^3
261 city gas projects
Over 31 million residential customers and **270,000** C&I customers

Resource Advantages

Long-term supply contracts with over **10 million tons/year**
No. 1 among PRC private companies in terms of overseas long-term LNG contracts volume[5]

Infrastructure Advantages[6]

First LNG receiving terminal approved by the National Energy Administration to be invested by a privately-owned enterprise **in China**
Largest privately-owned LNG receiving terminal **in China**

Transaction and Risk Control Advantages

First privately-owned natural gas company **in China independently developing** a digital intelligent system for hedging activities and risk management[7]

Leading Integrated Energy Concept and Size

Largest provider of integrated energy and intelligent management solution **in China**[8]

Robust Value-added Business Model

Leveraging frequent access to over **31 million** residential users to drive rapid growth in value-added business

Leading ESG Performance

First and only Chinese company in the global utilities sector that receives an MSCI AAA rating[9]

Robust Financial Position

Net operating cash flow of **RMB13.7 billion** in 2024
Return on equity of **16.7%**
Net debt to total equity ratio of **25.6%**

Consistently Growing Shareholder Returns

Core profit dividend payout ratio[10] **of 48%** for 2024
Future core profit dividend payout ratio[10] **not less than 50%** from 2026 through 2028

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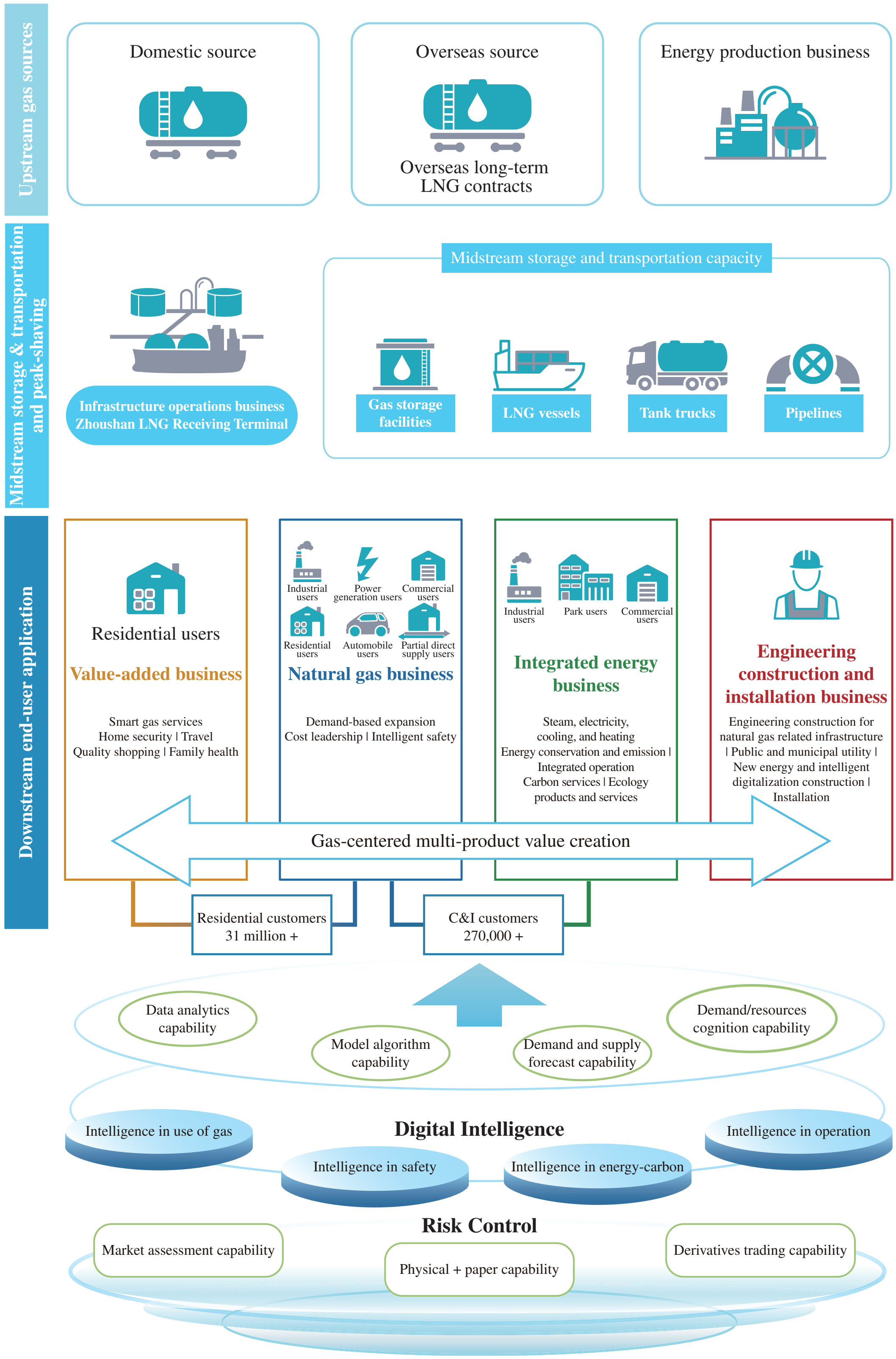
1 According to Frost & Sullivan, in terms of the retail volumes and total sales volumes of natural gas in 2024
2 According to Frost & Sullivan, in terms of the actual processing capacity of receiving terminals in 2024
3 In terms of total sales volume of natural gas in 2024, with a market share of approximately 9.2%, according to Frost & Sullivan
4 Using data as of December 31, 2024, and inclusive of operating data of associate companies and joint ventures
5 In terms of overseas LNG long-term contract volume, with a market share of 8.5%, according to Frost & Sullivan
6 In terms of actual processing capacity of LNG receiving terminals, according to Frost & Sullivan
7 According to Frost & Sullivan
8 In terms of the total revenue generated by the integrated energy business in 2024, with a market share of approximate 10.1%, according to Frost & Sullivan
9 According to Frost & Sullivan, as of the Latest Practicable Date
10 For the calculation of core profit dividend payout ratio, see "Financial Information – Key Financial Ratios"

Our Business

For over three decades, we have consistently upheld best practices, embracing long-termism for sustainable growth while strategically positioning our business with foresight. With years of development, we have established a comprehensive and integrated business layout spanning the entire natural gas value chain, enabling us to distinguish ourselves as a leader in the natural gas industry. Rooted in the entire natural gas value chain, we continuously expand our footprints in the integrated energy and value-added businesses centered on customer needs, fulfilling our commitment to creating diversified value for clients across all dimensions.

During the Track Record Period, we provided a comprehensive suite of businesses and services covering natural gas sales business, comprising retail of gas, direct gas sales by platform, and wholesale of gas, infrastructure operations, integrated energy business, value-added business, engineering construction and installation, and energy production, with business coverage extending nationwide.

The following diagram illustrates our current business layout:



Natural Gas Sales Business

During the Track Record Period, we categorize our natural gas sales business into retail of gas, wholesale of gas and direct gas sales by platform, based on differences in natural gas procurement, customer structure, business model, and other relevant factors. Through the [**REDACTED**] and the Privatization, we aim to further consolidate and optimize the domestic and overseas resources to achieve efficient resource allocation, and strengthen the synergies across our business within the operating areas under concession right and outside such operating areas, thereby supporting the continuous expansion of our natural gas sales business.

Retail of Gas

Our retail of gas business primarily involves selling natural gas to our domestic retail customers for their own consumption. Such retail customers are mainly (i) residential customers that connect to our pipeline networks, and (ii) C&I customers, such as industrial customers and commercial and public service customers. To a lesser extent, we also sell LNG and CNG to end users directly through our self-owned vehicle refueling stations, which only accounted for an insignificant portion of our retail of gas business during the Track Record Period. We mainly rely on the concession rights granted by relevant local governments to conduct our city gas business in China. As of December 31, 2024, we have obtained 250 concession rights for our retail of gas, which authorize us to supplying PNG to customers and constructing urban pipeline network within the operating areas. Our retail of gas business, with an extensive customer base, has laid a solid foundation for us to expand our business portfolio.

Direct Gas Sales by Platform

Our direct gas sales by platform business primarily engages in selling the natural gas we procure from overseas suppliers, supplemented by domestic natural gas resources, to our end customers, such as city gas operators, energy groups and large industrial customers, international oil and gas enterprises, and energy trading companies. Guided by a customer-centric approach, we have adopted a vertically integrated business model along and across the entire natural gas value chain covering the diversified natural gas resources, the infrastructure operation of our Zhoushan LNG Receiving Terminal and our extensive customer bases, thereby further appealing to both domestic and international customers prioritizing supply stability and operational flexibility. Moreover, we continue to explore and capture incremental market opportunities and are one of the earliest industry movers in extending relevant business and services to overseas markets, serving both international and domestic customers pursuing global expansion.

Wholesale of Gas

Our wholesale of gas business primarily serves as a key peak-shaving mechanism for our retail of gas business. We primarily sell the natural gas procured from upstream suppliers to our wholesale customers such as city gas companies, gas traders, and natural gas refuelling stations that are outside our pipeline network's reach via our self-owned or third-party transportation networks.

Infrastructure Operations

We generate revenue from the operation of natural gas infrastructure, which is in the midstream of the natural gas value chain. During the Track Record Period, the major infrastructure for our natural gas sales business include our Zhoushan LNG Receiving Terminal, our self-owned or leased storage facilities, and our extensive transmission and transportation networks.

As the exclusive entry point for the LNG imports in China, the LNG receiving terminal is one of the most important infrastructure along the natural gas value chain, with major functions of loading and unloading, storage, gasification and peak-shaving according to Frost & Sullivan. Our Zhoushan LNG Receiving Terminal is China's first large-scale construction project of LNG receiving terminal that is approved by the National Energy Administration to be invested by a privately-owned enterprise.

Currently, the Zhoushan LNG Receiving Terminal has an actual processing capacity of 7.5 million tons per year. Once Phase III of Zhoushan LNG Receiving Terminal is completed, which is expected to be in the second half of 2025, its actual processing capacity will exceed 10 million tons per year.

Integrated Energy Business and Value-added Business

Building upon our established natural gas sales business, we are proactively pursuing new growth potentials while enhancing our existing business capabilities. We have strategically extended into other complementary business segments, such as integrated energy and value-added businesses, by identifying and addressing the pain points and evolving demands of our industrial and residential customers.

Rooted in our customers' actual needs, our integrated energy business centers on the full value chain of energy development and utilization. We adopt a locally-adaptive approach, prioritize clean energy and utilize complementary integrated energies to deliver holistic energy solutions that connect both energy supply and demand, with overall support of implementation and operation. Leveraging our extensive resources, a pioneering integrated energy philosophy and digital intelligence capabilities, we have expanded our capabilities to provide customers with integrated energy solutions, moving beyond traditional gas supply to encompass multiple energy resources, and providing them with customized and one-stop integrated energy solutions.

For residential customers, our value-added business delivers structured products and services for residential gas needs and other household demands. Leveraging our extensive and robust customer base and service networks, we gained deep insights into the needs of various household scenarios and have expanded into broader areas of quality living, thereby continuously unlocking the value of our household customers. Through our e-City-e-Home platform and guided by our customer-centric philosophy, we deliver value-added business for modern household demands, including (i) essential service and products, (ii) smart IoT products, and (iii) quality life products, to meet the diverse needs and expectations of our customers.

Engineering Construction and Installation Business

We provide project-based engineering construction to our customers across diversified energy sectors by providing services such as technology, consulting, planning and design, procurement, equipment manufacturing and engineering construction, primarily including engineering construction for natural gas related infrastructure, public and municipal utilities, new energy, and digital intelligent construction in mainland China. In addition, we have also established partnerships with companies in several overseas countries.

Our construction and installation business caters to both residential and C&I customers. For residential customers, our services primarily involve the planning, design, and installation of courtyard gas pipelines, equipment, and indoor piping and facilities within the building boundary lines of newly constructed residential properties and existing residences not yet connected to PNG. For C&I customers, we provide PNG-related engineering and equipment installation services.

Energy Production Business

Our energy production business focuses on the production and sales of various energy resources, such as methanol. In terms of our methanol business, we currently operate two production facilities, and produce methanal at our self-owned production plant, which is located in Dalateqi, Inner Mongolia. Our downstream customers are primarily concentrated in terminal chemical manufacturing enterprises and large and medium-sized chemical trading companies, and we have gradually expanded our customer base to include emerging downstream sectors such as fine chemicals and methanol fuel.

Synergies across Business Segments

Integration Across the Upstream, Midstream and Downstream Segments

In terms of upstream, we actively acquire domestic and international long-term contract resources and build a diversified and flexible resource pool. At present, we have signed overseas long-term contracts for more than 10 million tons per year. According to Frost & Sullivan, we have the largest overseas LNG long-term contract volume among privately-owned enterprises in China. In terms of midstream, our Zhoushan LNG Receiving Terminal began construction as early as 2016 and officially commenced operation in 2018. It is the first large-scale LNG receiving terminal project approved by the National Energy Administration to be invested in by a privately-owned enterprise. According to Frost & Sullivan, our Zhoushan LNG Receiving Terminal, with an actual processing capacity of 7.5 million tons per year, ranked first among all privately-owned LNG receiving terminals in China. Upon completion of its Phase III construction in 2025, the actual processing capacity of our Zhonshan LNG Receiving Terminal is expected to exceed 10 million tons per year. In terms of downstream, we have a large and solid customer base, serving more than 31 million residential customers and 270,000 C&I customers. According to Frost & Sullivan, we were the largest privately-owned natural gas operator in China in terms of retail volume of natural gas in 2024.

Relying on our extensive customer base within the operating areas and various sales networks outside such operating areas, we have fully demonstrated our robust gas offtake capacity. With this solid foundation, we leveraged our more advantageous bargaining position and actively carried out in-depth cooperation with upstream high-quality gas suppliers home and abroad, strove for better and more competitive resource reserves, and dynamically optimized the allocation of resources. Meanwhile, with a diverse and abundant resource pool, we can achieve a more stable, more accurate, more flexible and more timely matching of customer supply and demand. Leveraging the strong integration and deployment capabilities in the midstream, we have further expanded our business boundaries. Not only can we reach a wider resource space in the upstream, but also we can achieve multi-source-to-multi-demand matching for downstream precise operation, meet the differentiated needs of various customer bases, and ensure the efficient and low-cost delivery of resources.

We have implemented an integrated layout across the upstream, midstream and downstream segments, made concerted efforts to achieve mutually reinforcing development, significantly improved the operational efficiency of the industrial chain, enabling us to fully respond to market fluctuations and continuously strengthen our core competitiveness and create greater value for customers. Upon the [**REDACTED**] of Privatization and [**REDACTED**], our integrated layout will be more cohesive and seamlessly interconnected to form a strong development synergy, which can better cope with the changes in the natural gas industry and form a unique integration advantage in customer service, resource reserve, facility empowerment and risk control.

Customer service: Upon [**REDACTED**] of the Privatization and the [**REDACTED**], we will further pool the joint strength for market development, better meet customer needs, expand the base of international and domestic customers, and drive the growth of the integrated energy and value-added businesses. At present, customer needs are increasingly diversified and differentiated, which requests higher and more comprehensive capability for natural gas operators. Upon the Privatization and [**REDACTED**], we will further coordinate and expand the markets within and outside the operating areas, domestically and internationally, flexibly and dynamically combine international and domestic resources, thereby enabling us to better match diversified customer needs and our abundant upstream resources, optimize existing customers to unlock performance gains, and develop more incremental customers. In addition, we will be able to develop a broader service market, develop more medium- and long-term customers home and abroad, aggregate a broader industrial ecology, achieve synergistic growth, and continue to expand the scale of natural gas business. Meanwhile, the integration and expansion of customer bases in the downstream can further drive the expansion of integrated energy and value-added businesses, and the large industrial customers of integrated energy business can further identify and exploit external natural gas business opportunities outside the operating areas and maximize customer value through strategic potential realization.

Resource pool: Upon [**REDACTED**] of the Privatization and the [**REDACTED**], we will further strengthen the complementary advantages of resources, provide more low-cost resources and supply guarantees for downstream customers, and promote the development of the resource pool to gain more advantageous bargain position and further enrich and optimize the resource pool. On the one hand, the domestic and overseas natural gas resources under long-term contracts can enrich the gas source structure of our city gas business with a flexible and diversified combination of domestic and overseas resources that have a competitive price advantage. By optimizing the resource pool, we can stabilize the fluctuations in the natural gas price, ensure the stable supply of gas sources, and reduce the uncertainties in peak-shaving and supply guarantee. On the other hand, the huge downstream demand can empower the development of the resource pool, enabling us to actively conduct deep cooperation with the upstream domestic and overseas resource providers with more advantageous bargain position, and achieve a higher quality and more competitive resource pool and the dynamic optimization of resource allocation.

Infrastructure empowerment: Upon [**REDACTED**] of the Privatization and the [**REDACTED**], we will further enhance the pivotal role of midstream storage and transportation for our operations along the upstream and downstream value chain, strengthen coordination between international and domestic resource markets, and empower business steady growth leveraging our Zhoushan LNG Receiving Terminal. We can not only access broader upstream resource pools but also achieve precise multi-source-to-multi-demand downstream matching to strengthen our coastal LNG import channel, reduce transportation and storage costs, and meet the incremental demand for international resources from downstream business. Consequently, we will continue enhancing utilization rates at the Zhoushan LNG Receiving Terminal to enhance the scale effect and ensure efficient and low-cost delivery of resources.

Risk control: Upon [**REDACTED**] of the Privatization and the [**REDACTED**], the advantages of our natural gas business in all scenarios will be further enhanced, enabling us to hedge risks and seize opportunities more effectively. We will also flexibly and reasonably adjust our business focus according to the fluctuations of resource prices. When global gas prices are high, we will prioritize international market demand and strategically balance domestic demand. When global gas prices are low, we will proactively develop markets to support international resource imports while cultivating mid-term to long-term clients through innovative approaches. Through integrated collaboration across the natural gas value chain, we can further strengthen our hedging and risk control capabilities, leverage both domestic and international markets, and mitigate the impact of price volatility on us. Such approach enables diversified revenue streams and effective risk hedging, bolstering our resilience and maintaining balanced, stable operations.

Rooted in our core natural gas business, we have successfully cultivated new growth drivers

Based on our natural gas business, we remain focused on customer needs to deliver sustained value creation for customers. Leveraging over 30 years of industry expertise, we have accumulated deep insights into customer demand through long-term partnerships, enabling us to identify individualized demands and accordingly expand into the integrated energy and value-added businesses, thus forming our business layout.

As customers increasingly prioritize premium energy services and quality living standards, our extensive domestic customer base within the operating areas provides a broad development room for our integrated energy and value-added businesses, and synergistically brings opportunities for the development of our engineering construction business, creating a mutually promotion business synergy. Meanwhile, we also accumulated other customer resources outside such operating areas during our expansion, providing us the new potential opportunities for our direct gas sales by platform business and further enriching our business matrix.

The integrated business model enables us to create value for customers in multiple aspects. By delivering one-stop, customized energy solutions across diverse scenarios, we enhance customer satisfaction while injecting sustainable growth momentum into our long-term development, propelling our steady advancement in the energy sector and achieving high-quality growth.

Our Track Record Performance

During the Track Record Period, we delivered solid profitability, which provided strong support of our development. In 2022, 2023 and 2024, our revenue was RMB150.0 billion, RMB141.1 billion, and RMB134.9 billion, respectively. For the same periods, our net profit was RMB11.1 billion, RMB12.5 billion, and RMB9.9 billion, respectively, with net profit margins of 7.4%, 8.9%, and 7.4%, respectively, and our core profit was RMB6.1 billion, RMB6.4 billion and RMB5.1 billion, respectively. We maintained robust cash flow throughout the Track Record Period and our net cash flow generated from operating activities were RMB14.8 billion, RMB13.5 billion, and RMB13.7 billion in 2022, 2023 and 2024, respectively.

We are committed to delivering returns to our shareholders and have regularly reviewed our future plan for shareholders' return at least once every three years in light of market conditions to ensure rationality, consistency and stability of our dividend policies. During the Track Record Period, our shareholder returns have improved significantly, with the core profit dividend payout ratio increasing from 26% in 2022 to 48% in 2024 (excluding special dividends). In addition, we have published the Distribution Plan of Dividends to Shareholders in the Next Four Years (2025-2028) (《新奥股份未來四年(2025-2028年)股東分紅回報規劃》), according to which, subject to the [**REDACTED**] of the Privatization and the [**REDACTED**], we plan to further increase our annual cash dividend ratio to no less than 50% of our core profit attributable to shareholders from 2026 to 2028.

Our ESG Commitment and Strategy

We believe that robust ESG management and sound corporate governance are pivotal to our long-term success and sustainability of our business. Amidst profound transformations in the global energy industry and escalating climate change risks, we have crafted our sustainability vision under the guidance of "With Wisdom, We Innovate Sustainable Energy" (the "**WISE Strategy**") to addresses three fundamental pillars of ESG, namely environment, social responsibility, and governance. Such strategy operationalizes through four actionable pathways, including "self-driven altruism," "excellent governance," "safe energy supply," and "green development," which collectively form our ESG architecture.

In addition, we actively organize and participate in social welfare initiatives to better fulfill our social responsibility. We carry out these initiatives systematically and focus on five key philanthropic areas, including igniting wisdom (點亮智慧), empowering a green future (綠動未來), warm light public welfare (暖光公益), rural dream building (鄉村築夢), and cultural spark (文化星火). Moreover, we continue to develop our digital ESG management capabilities, improving the entire process of ESG-related data reporting, management, verification, and tracking, effectively enhancing data quality and management efficiency.

Through our deep commitment to ESG principles and demonstrated excellence in sustainability practices, we achieved a breakthrough ESG rating upgrade. According to Frost & Sullivan, as of the Latest Practicable Date, we are the first and only enterprise in China's public utility sector that received such MSCI AAA rating.

Our Core Values

Customers always take precedence. We are committed to prioritizing our customers' demands in our business and operations. In addition, we have been continuously enhancing our organizational capabilities and professional competence through rigorous self-assessment and specialized expertise accumulation. Furthermore, by integrating industrial know-how with digital intelligence, we leverage such industry-intelligence synergy to innovate and optimize our business model, thereby reinforcing our determination to pursue strategic transformation and long-term sustainable growth.

Customer-oriented Philosophy (客戶牽引)

Customer satisfaction is our constant pursuit. Moving beyond the traditional resource-oriented, supply-side mindset, we structure our business around customers' real-world energy needs, with an aim to becoming a full-scenario intelligent energy steward for our customers. Leveraging our industry insights and experience, we proactively identify and address customers' pain points, often anticipating our customers' actual requirements before they realize such needs. In addition, supported by a diversified domestic and international resource pool, an integrated operation of infrastructure, a robust transportation and delivery network, and an advanced risk control system, we are well-positioned to respond swiftly to changing customer demands and provide flexible, efficient, comprehensive, and secure energy services.

Industry-Intelligence Synergy (產智互促)

We have independently developed the Great Gas Net, a professional natural gas capability cognition platform. Using digital intelligence technology, we connect stakeholders across the supply and demand spectrum. Leveraging our four core business capabilities — demand, resources, facilities, trading and risk control — we aggregate participants throughout the natural gas industry ecosystem. By integrating information and data across various segments, we facilitate efficient resource deployment and leverage intelligent technology to achieve dynamic and optimal matching between supply and demand. This comprehensively empowers our customers, maximizing their business value. Simultaneously, through capability products such as market intelligence judgement and intelligent risk control, we establish customized mechanisms for risk identification, assessment, early warning, and prevention, empowering clients to manage uncertainties through visual modeling.

Innovation for the Future (智創未來)

We believe our digital intelligence capabilities will effectively empower us and our customers to stride toward a new area of industry development and ecosystem. As of December 31, 2024, we have three design and research institutes, and two R&D centers. These in-house R&D assets empower us to advance our research and further accelerate the application and implementation of relevant technological innovations. In addition, we maintain strategic collaborations with top domestic universities and have established joint R&D centers to conduct relevant research and analysis that address industry-wide challenges and pain points. Furthermore, we have developed industry-specific models on our Great Gas Net by integrating advanced large language models and data-driven technologies, thereby unlocking intelligent value and providing technology support for strategy implementation and business transformation.

Natural gas serves as a transitional and alternative fuel in China's pathway to achieve its dual-carbon objectives, namely carbon peak by 2030 and carbon neutrality by 2060. The Chinese government has established explicit target to elevate the share of natural gas in primary energy consumption, cementing its critical role in national energy security and decarbonization efforts. We believe that, guided by our strategic core values of "customer-oriented philosophy, industry-intelligence synergy, and innovation for the future," our business is well-positioned to capture sustainable growth opportunities in the evolving energy landscape and achieve broad and sustainable growth in the future.

COMPETITIVE STRENGTHS

Based on years of accumulation, we have essentially achieved an integrated industrial layout and cultivated distinctive competitive advantages. We believe that the following strengths will enable us to fully utilize future opportunities for substantial development and help us continuously consolidate our leading position.

We are the largest private natural gas operator in China

We are a leading intelligent ecosystem operator for natural gas industry. Deep rooted in the natural gas sector, we have built an all-scenario business landscape centered on natural gas, with precision targeting of customer pain points. According to Frost & Sullivan, we are the largest private natural gas operator in China, as measured by the total sales volume of natural gas in 2024. After years of professional accumulation, we rank among the top in the industry in the following areas:

Demand Advantages [11]

- In 2024, we are the largest private natural gas company, with a natural gas sales volume of 39.2 billion m^3 and a market share of 9.2%. We ranked third in the industry and first among privately-owned enterprises, with a gas retail volume of approximately 26.2 billion m^3 and a market share of 6.1%. We occupied a significant position in China's natural gas industry;

- In 2024, we had 261 city gas projects in China, serving more than 31 million residential and 270,000 C&I customers, covering 20 provinces, municipalities and autonomous regions;

Infrastructure Advantages

- Our Zhoushan LNG Receiving Terminal is the first LNG receiving terminal approved by the National Energy Administration to be invested in, constructed, and managed independently by a privately-owned enterprise;

11 Data inclusive of those from joint venture and associates

- Our Zhoushan LNG Receiving Terminal ranked first among all privately-owned LNG receiving terminals in terms of actual processing capacity (7.5 million tons per year) in 2024. The actual processing capacity of Zhoushan LNG Receiving Terminal is expected to exceed 10 million tons per year upon completion of its Phase III construction in 2025;

Resource Advantages

- In 2024, we entered into two long-term take-or-pay agreements with Three Major Oil Companies. Meanwhile, in terms of the overseas LNG long-term contract volume, we ranked fourth in the market with an overseas LNG long-term contract volume of 10.16 million tons per annum, accounting for 8.5% of the total market share. At the same time, we are the largest privately-owned enterprise in terms of overseas LNG long-term contract volume, according to Frost & Sullivan.

Our operation covers the entire natural gas industry value chain in China, driving continuous growth of our natural gas business through coordination of our four capability pillars

In recent years, the natural gas industry has undergone multi-dimensional changes. With the deepening evolution of the supply landscape in the natural gas market, the importance of upstream and downstream integration has become increasingly prominent. With forward-looking strategic planning, we have built, ahead of others, an integrated operational system for the entire industry chain, which covers diversified upstream gas sources, midstream infrastructure operations for pipeline network, and downstream terminal services, achieving a solid domestic customer base, a diversified pool of domestic and international resources, a robust fulfillment and delivery network, and an international advanced risk control system, which in the aggregate form our unique core competitive advantages at the inflection point of industry transformation.

In terms of the demand pillar, we have 261 city gas projects across the country as the basic market in the region. Our extensive customer base spans industrial, commercial, residential and other sectors, supported by rich and stable customer resources. Leveraging our extensive market presence and high-quality services, we have established long-term, stable partnerships with numerous customers. Upon [**REDACTED**] of the Privatization and the [**REDACTED**], we can better integrate and comprehensively expand the markets within and outside the operating areas, domesticlly and internationally. It can fully release our upstream and downstream channel advantages and strengthen the flexible and dynamic combination of domestic and international resources. By using a more diverse natural gas source matrix, we can meet the differentiated needs of customers, improve the operation efficiency of existing customers, and expand the customer base, and cover more mid- to long-term domestic and international customers.

In terms of the resource pillar, we utilize our resource aggregation capabilities to build a diverse and flexible resource pool aligned with customer needs. Through strategic partnerships, we secure adaptable mid- to long-term resources, effectively helping us to mitigate market volatility while enabling us to dynamically deliver optimal resource portfolios to clients. This approach lays a stable foundation for our long-term development. Upon [**REDACTED**] of the Privatization and the [**REDACTED**], it is expected that our natural gas sales business could secure more natural gas resource at a low price and a more stable supply, which will empower our resource pool development with a more advantageous bargaining power, and further optimize our resource reserves.

In terms of the infrastructure pillar, our industry-leading Zhoushan LNG Receiving Terminal significantly enhances linkage resource delivery capabilities, ensures flexible resource allocation, and further expands the reach of our overseas resource pool. This infrastructure forms a stable foundation for our business development. Receiving terminals serve as critical gateways for China's LNG imports, hold pivotal strategic significance in connecting the upstream and downstream segments of the industrial chain. With the Zhoushan LNG Receiving Terminal as a key hub, we have built an efficient coordination mechanism and system between receiving terminals, pipelines, and gas storage facilities. Centered in the Yangtze River Delta and extending its reach nationwide, this network enables flexible resource flow, broadens delivery channels, and effectively facilitates flexible, efficient, and cost-effective delivery of international resources to domestic end-users. Upon [**REDACTED**] of the Privatization and the [**REDACTED**], it is expected that the multiplier effect of the midstream infrastructure on upstream and downstream operations will be strengthened and the utilization rate and economies of scale of the Zhoushan LNG Receiving Terminal will be further enhanced.

In terms of trading and risk control pillars, we possess industry-leading innovative trading models and a risk control system. Backed by our global offices in London, Singapore, and other locations, we have established a 24-hour globally linked market risk emergency response mechanism alongside innovative and flexible trading models, which enable us to control trading risk reasonably through hedging activities, achieving precise matching of physical and paper transactions. According to Frost & Sullivan, we are the first private natural gas company in China, which independently developed a digital intelligent system that integrates globally advanced energy trade and risk management technologies for relevant hedging activities. We developed the proprietary ETMO system, our risk control platform, which conducts comprehensive digital management and real-time risk monitoring of physical and paper transactions during hedging activities, thereby maximizing risk management precision, controlling price volatility risks on a dynamic basis, and strengthening our ability to fulfill delivery commitments for international medium- to long-term resource. Upon [**REDACTED**] of the Privatization and the [**REDACTED**], it is expected that our advantages of natural gas in all scenarios will be further strengthened, which will help us effectively hedge risks and seize opportunities, domestically and internationally, to reduce the impacts on us from the market price fluctuations.

Capitalizing on a large and solid customer base of natural gas sales business, we have accumulated deep insights into customer demand and successfully cultivated new growth drivers for our business

Leveraging our extensive expertise cultivated through years of in-depth customer engagement, we have forged unparalleled customer insight capabilities. This enables us to precisely identify customer needs and drive service excellence through professional empowerment.

Owing to a major base of our downstream natural gas customers, we have vigorously expanded our industrial layout rooted in our core natural gas business. Driven by customer demand, we have expanded into new business segments such as value-added business and integrated energy business, catering to household and industrial-commercial application scenarios. Through the provision of personalized, precise, and diversified services, we have fully leveraged the synergistic effects of our business matrix to promote mutual enhancement among business operations, and unleash full-scenario advantages. We also plan ahead to develop and accumulate mid- to long-term customer resources, and establish new growth driver for our business development.

In the industrial customer sector, we precisely profile customers by building multidimensional models that cover industry characteristics, production processes, energy consumption patterns, and alternative energy options. Leveraging IoT devices, the customers' energy consumption pattern enables us to accumulate insights into the customer needs. According to Frost & Sullivan, in 2024, the top five enterprises in China's integrated energy intelligent management solution industry collectively held a market share of approximately 19.7%, with us ranking first by revenue from integrated energy business of approximately RMB15.56 billion and a market share of approximately 10.1%.

In the residential customer sector, driven by the diverse and multi-category needs of household users, we leverage the long-term trust built through our natural gas business to closely align with day-to-day household scenarios of residential users. Focusing on high-standard user demand for quality, intelligence, and customization, we extend from household gas consumption to broader areas such as kitchens, entire-home solutions, and quality-of-life services including health and shopping. By utilizing ecosystem partnerships, we proactively connect our customers to resources that will generate the value of residential clients.

Upon [**REDACTED**] of the Privatization and the [**REDACTED**], the integration and expansion of the downstream customer groups can further drive the expansion of the integrated energy business and value-added business. The large industrial customers of the integrated energy business can also further explore business opportunities in the direct gas sales by platform, extend value creation in multiple dimensions, and unleash the potential value of customers.

Digital intelligence capabilities ensure our sustainable and stable business development

We continue to innovate our strategic deployment of digital intelligent applications and iteratively optimize our digital intelligence capabilities, establishing as an industrial paragon of intelligent applications in areas such as comprehensive empowerment for customers, efficient and safe operations and risk control, and enhancing specialized industry expertise accumulation and effective management of uncertainties.

Comprehensive empowerment for customers: Through our self-developed Great Gas Net, a professional natural gas capability cognition platform, we leverage a diverse range of intelligent agent capabilities, such as the cognition, prediction and aggregation of demand and resources, to assist customers in optimal matching of supply and demand and effective management of uncertainties, greatly enhancing the specialized expertise accumulation. For example, we can leverage large-scale AI models to integrate pipeline network pressure, user gas usage behavior, and meteorological data, enabling dynamic prediction of regional gas demand. This helps prevent supply shortages during winter cold spells. Furthermore, our model can consolidate user gas consumption data, real-time equipment status data, and energy consumption data to deliver personalized energy management solutions.

Efficient and safe operations: We actively advance the independent development of intelligent safety tools. Leveraging our Great Gas Net, we have established a digital intelligent safety management system that covers all business scenarios. By preventing and controlling process-based risks, we enable early warning and supervision of safety and quality risks throughout the business process. For instance, in typical natural gas business scenarios such as plant, station and pipeline operations, we have implemented intelligent models to achieve round-the-clock monitoring and inspection. In terms of equipment maintenance, our intelligent maintenance model has assessed pressure regulation facilities, enabling a shift from scheduled maintenance to predictive maintenance. Regarding gas transmission and distribution, metering, and engineering construction, we have leveraged intelligent systems to optimize pipeline network distribution, reduce gas loss, and ensure the quality of engineering projects.

Risk exposure control: We have drawn on the professional practices of leading international energy companies to establish a dedicated risk management system. By tapping into best practices in integration of physical and paper trading and utilizing digital intelligent technology, our self-developed ETMO system enhances our risk management capabilities across multiple dimensions, including leveraging real-time market data, end-to-end position tracking, multi-scenario risk exposure simulations, and value-at-risk assessments, facilitating us to promptly and dynamically monitor and analyze the fluctuations of market prices. According to Frost & Sullivan, we are the first private natural gas company in China to independently develop a digital intelligent system that integrates advanced global energy trading and risk management technologies for domestic hedging strategies.

Outstanding ESG performance empowers us to continuously unleash growth potential

We believe that robust ESG management and sound corporate governance are pivotal to our long-term success and sustainability of our business. Under the guidance of "With Wisdom, We Innovate Sustainable Energy" (the "WISE Strategy"), we gain a deep understanding of our customers across all scenarios, injecting new momentum into our sustainable development journey. Addressing three fundamental pillars of ESG, namely environment, social responsibility, and governance, such strategy operationalizes through four actionable pathways, including "self-driven altruism" (自驅利他), "excellent governance" (卓越治理), "safe energy supply" (安全供能), and "green development" (綠色發展), which collectively form our sustainable development strategic architecture.

In response to the national low-carbon energy transition, we released the Green Action 2030: ENN NG Journey to Net Zero in 2022, clearly setting forth our dual carbon goals, where carbon peak will be achieved by 2030 and carbon neutrality will be achieved by 2050. We have established concrete emission reduction targets across all business segments and developed a detailed "Zero-Carbon Roadmap" to systematically advance our green transformation. In addition, we participate in the United Nations Global Compact Climate Accelerator program to deepen our comprehensive climate risk management, seize climate opportunities, and work with our ecological partners to promote emission reduction actions, contributing to the green development of the energy industry. At the management level, we prioritize research and development in innovative technologies, strategically focusing our technology deployment on areas such as hydrogen energy, clean coal utilization, unconventional natural gas, and integrated energy solutions. In addition, we proactively maintain technological exchanges and collaborations with China's leading universities and research institutions to unleash the potential of green growth.

We uphold a sustainable development philosophy by embedding ESG into our corporate strategy, day-to-day operations, and performance evaluation. With our outstanding ESG performances, we became the first and only enterprise in China's public utility sector to receive an MSCI AAA rating as of the Last Practicable Date, according to Frost & Sullivan.

Our management team has long plowed into the industry under our flexible and robust corporate governance framework

We maintain a robust and flexible governance framework and execution system, closely aligning the interests of customers, shareholders, partners, and management. By practicing our core values of "upholding conscience and advocating self-motivation," we promote transparent and accountable decision-making processes that foster entrepreneurship and a strong sense of ownership, which has therefore supported our dynamic and efficient growth, enhanced investor returns, and improved our long-term investment value. Furthermore, these efforts ultimately maximize value creation for society.

Customers: With customer satisfaction being our enduring pursuit, we draw on our accumulation of industrial expertise and digital intelligence capabilities, while gaining in-depth insights into customer needs, as part of our efforts to proactively anticipate customer expectations, and deliver services in advance. We are committed to becoming an all-scenario intelligent manager for our customers, offering flexible, efficient, comprehensive, and safe energy services.

Shareholders: We deeply appreciate the recognition and support of our shareholders, and regard protecting shareholder interests as our indispensable responsibility. We are committed to rewarding shareholders and review our future dividend plan at least once every three years based on market conditions to ensure that the dividend policy remains rational, consistent, and stable. Since 2022, our core profit dividend payout ratio has risen significantly from 26% to 48% (excluding special dividends). Upon [**REDACTED**] of the Privatization and the [**REDACTED**], from 2026 to 2028, we will distribute no less than 50% of the core profit attributable to owners of the Company as annual cash dividends.

Partners: We firmly believe that talent represents the core competitive strength of an enterprise. We place great emphasis on talent development. By focusing on the "Growth Stimulation," we establish a cultivation mechanism for the common growth and evolution of employees and the organization. Through our systematic training plans and clear promotion channels, we provide employees with diverse career development paths, and help employees achieve the improvement of their core competencies and the realization of their personal values. In addition, we have established two phases of restricted stock incentive plans. This effectively constructs an equity structure that aligns the interests of the management, key personnel and all shareholders, and establishes an incentive mechanism that integrates long-term and short-term incentives and constraints.

Management: Our exceptional and stable management team with an average industry tenure of over 20 years has accumulated extensive industry expertise and years of experience in their respective fields. In possession of strategic foresight and the ability to keep abreast of the times and seize market opportunities, the management has been maximizing the value for our customers. Our Board has rich professional backgrounds and industry experience, covering areas such as corporate governance, financial management, risk management, human resources management, and market development of the energy industry. We also strive to promote diversity within the Board in terms of gender, culture, and professional skills to align with our business operations and create long-term value for us and all stakeholders.

FUTURE STRATEGY

Heralding in the foreseeable era of the intelligence, we will uphold the strategic philosophy focusing on the "WISE Strategy," with low carbon, innovation, and sustainability as our vision. Leveraging four capability pillars and advanced intelligent solutions, we will deeply engage in the natural gas sector across all scenarios, empowering the energy industry with intelligent solutions, resolving challenges for customers and the industry, reducing energy consumption costs, and meeting diverse customer needs. We will continue to expand new growth frontiers within the energy ecosystem and are committed to becoming a leader in the global energy transition.

Stay customer-oriented to strengthen the engagement with existing customers and acquire new customers

We will persist in a customer-on-demand philosophy, whereby further enhancing the effectiveness of our existing customer operations, driving the acquisition and development of new customers, and expanding our presence across regional and extra-regional, and domestic and international markets. Focusing on our core natural gas business, we leverage our pillar strengths and digital intelligent capabilities to deepen our understanding of customer needs and create multidimensional value. Through integrated services combining natural gas, integrated energy, and value-added services, we cultivate an interconnected industry ecosystem, synergize the promotion and advancement of our business lines, stimulate the market potential, and unleash higher-value growth momentum.

In the retail of gas business, we will capitalize on coal-to-gas conversion and industrial energy efficiency initiatives, intensify the development of five types of small customers, and focus on analyzing pain points across different customer types, including industrial users, power plants, and city gas companies. By uncovering latent customer demands, we aim to cultivate mid-term to long-term customer relationships through innovative approaches, expand our end customer base, and drive scaled growth in long-cycle demand.

In the integrated energy business, we focus on scenarios such as industrial parks, factories, and buildings. Starting from customer needs, we will strengthen the intelligent products and integrated energy technology applications. Driven by the integrated energy microgrid model, we innovate integrated load-source-grid-storage-carbon solutions for rapid replication and promotion, achieving multi-energy complementarity of "steam, electricity, cooling, and heating". By accumulating professional capabilities through strong business practices, we further extend multi-dimensional value creation, which provides support for the continuous expansion and efficiency improvement of the integrated energy business.

In terms of the value-added business, we will take household gas as the entry point, embed AI technology, rely on the e-City e-Home platform, improve the ability to recognize household needs and verify value, and help household users achieve smart homes. At the same time, we are committed to reconstructing scenarios such as health services, high-quality tourism, quality shopping, community security, energy, and water purification in smart communities. We will focus on household intelligent systems and enterprise intelligent systems, achieve large-scale sales and ability extension, and around the basic business, create value exploration guided by the two-sided interaction of customer and ecological needs, and achieve the expansion of value-added business scenarios.

On this basis, we will gradually develop our overseas expansion capabilities in collaboration with leading enterprises with overseas presence on market exploration and expansion, supporting our goal of long-term and sustainable business growth.

Enhance our full-scenario advantages in natural gas and strengthen our strategic positioning throughout the entire industry value chain

Building on our substantial downstream demand, we aim to strengthen the full-scenario advantages of our major natural gas business. Utilizing leading professional practices, we will further enhance upstream resource capabilities and midstream coordination and connectivity, enabling more agile and diversified business development.

We will leverage diverse ecosystem partnerships to further enrich our resource pool, building a diversified resource pool on three major resource pillars, which is comprised of Three Major Oil Companies, international sources, and unconventional and other ecosystem-based resources. Through mechanisms such as cargo swapping and in-tank trading, we will enhance our ability to flexibly allocate resources. By dynamically expanding our resource acquisition network and flexibly combining domestic gas sources with international long-term contracts and spot purchases, we aim to further scale up our mid-term to long-term resource portfolio. At the same time, we will strengthen coordination between domestic and international markets to optimize resource flow and improve our capability to deliver high-quality supply from international to domestic markets and from national to regional levels. With our diversified resource integration capabilities, we will dynamically deliver tailored resource portfolios, providing long-term and stable supply solutions that meet the diverse needs of various customers.

We will strengthen the Zhoushan LNG Receiving Terminal by fully leveraging its geographical advantages and self-owned flexibility. We will continue to improve terminal utilization, while building a first-class domestic receiving terminal that is safe, low-carbon, intelligent, and open, with diverse service capabilities such as international-domestic coordination, off-season storage and peak-season sales, transportation flexibility, and intelligent operations. On top of this, we will utilize our midstream storage and transportation assets as a key regulatory force within the industry chain, enabling greater operational efficiency and business empowerment. In terms of resources, we will secure key import channels, capitalize on window periods of resources, and enhance cross-regional resource swap capabilities. This will allow us to dynamically adjust long-term, medium-term, and short-term overseas LNG procurement contracts and optimize our overall resource structure. In terms of delivery, we will continue to strengthen our in-house logistics capacity, including LNG vessels and tanker fleets, while deepening strategic collaboration with the partners and the national pipeline network to reduce transportation and storage costs, strengthen peak-shaving and supply security capabilities, and ensure efficient and low-cost delivery of resources to end customers. Looking ahead, we will leverage the connectivity of our receiving terminals to share market dynamics, strengthen market alliances, and optimize resource allocation. These efforts will support the industry's broader "digital intelligent" transformation, enabling smart matching of supply, demand, transportation, and storage of upstream, midstream and downstream players across the entire value chain.

Consolidate our business scale through digital intelligence capabilities under our "Strengthening Capabilities Through Intelligence" Strategy

By centering around customers' demand for low-cost gas consumption, and based on the natural gas full-scenario capabilities and IoT data, we leverage intelligent technologies to develop industrial large models. Meanwhile, we will fully implement the business strategy of "strengthening capabilities with intelligence," enrich intelligent capabilities, accelerate the accumulation of best practices, and accelerate the implementation of the platform model. By synergizing the long-term strategic vision and continuous technological iteration, we strive for sustainable revenue. On one hand, by leveraging digital intelligent solutions to gain a profound understanding of customer needs, we will offer intelligent capabilities, along with customizable and differentiated products and services, to both customers and ecological partners. This will enable optimal matching of demand and supply, assist customers in managing uncertainties, and reduce their natural gas consumption costs. On the other hand, by harnessing intelligence to boost capabilities, we will unravel time and space constraints, further generating the value of resource scale. Systematically, we will tackle the industry's mismatch challenges, which in return will drive the industry towards highly efficient operation. As a result, there will be a mutually-reinforcing and spiral development among customer scale, intelligent capabilities, and innovative models, leading to a continuous expansion of the natural gas ecosystem. At the same time, we will leverage ecosystem partnerships to gradually build a closed-loop transaction service system. Through multi-product and multi-portfolio exposure planning strategies, we will utilize intelligent product offering to drive model innovation.

In a rapidly evolving supply and demand market, we will further integrate research and development resources to enhance our capabilities in coordination and aggregation. By improving the systematic, real-time, flexible, and precise nature of information flow, we aim to establish efficient synergy of technological research and development with application scenarios of upstream and downstream resources, as well as their integration and mutual promotion. This also will strengthen collaborative innovation and drive breakthroughs in both core technology development and practical applications. By promoting scalability and standardization, we will actively seize global energy transition opportunities, leverage intelligent solutions to reshape the landscape, and position ourselves well in the smart energy ecosystem, as part of our efforts to become a leading enterprise in the global smart energy transition.

Strengthen ecosystem collaboration and integrated capabilities to maximize business synergies

We will further consolidate industrial ecosystem partnerships to enhance resource acquisition and facility utilization, continuously develop an integrated service product matrix tailored to diverse customer needs. We will further reinforce our integrated capabilities, empowering internal operations while extending value across the entire ecosystem to address industry challenges faced by customers and partners, establish intelligent application benchmarks and fully unlock operational synergies.

In terms of demand, we will collaborate with ecosystem partners to jointly explore and pioneer innovative business models. We, driven by customer demand, will fully leverage our accumulated expertise in the natural gas industry to drive the expansion of integrated energy and value-added businesses. By diversifying our portfolio, we will further explore customer resources and reciprocally create cross-selling opportunities for our core natural gas business, fully unlocking inter-business synergies. We will remain committed to delivering premium products/services that meet diverse customer needs across scenarios, maximizing customer value and driving co-development with clients and ecosystem partners.

In terms of resource and infrastructure, by mobilizing ecosystem capabilities, we will create partnership models jointly with ecosystem partners to accumulate resource scale through flexible strategic collaborations. Concurrently, we will pioneer multi-terminal coordination models for LNG receiving stations, reinforcing our high-efficiency delivery system to enable agile distribution of international resources to domestic end-users.

In terms of trading and risk control, we will aggregate ecosystem-wide import demand to help customers mitigate price volatility, optimize import resource costs, and deploy dynamic risk management mechanisms to hedge against market fluctuations, ensuring reliable fulfillment of medium-to-long-term international resource delivery commitments.

Advance low-carbon upgrading and continuously improve the technological innovation system

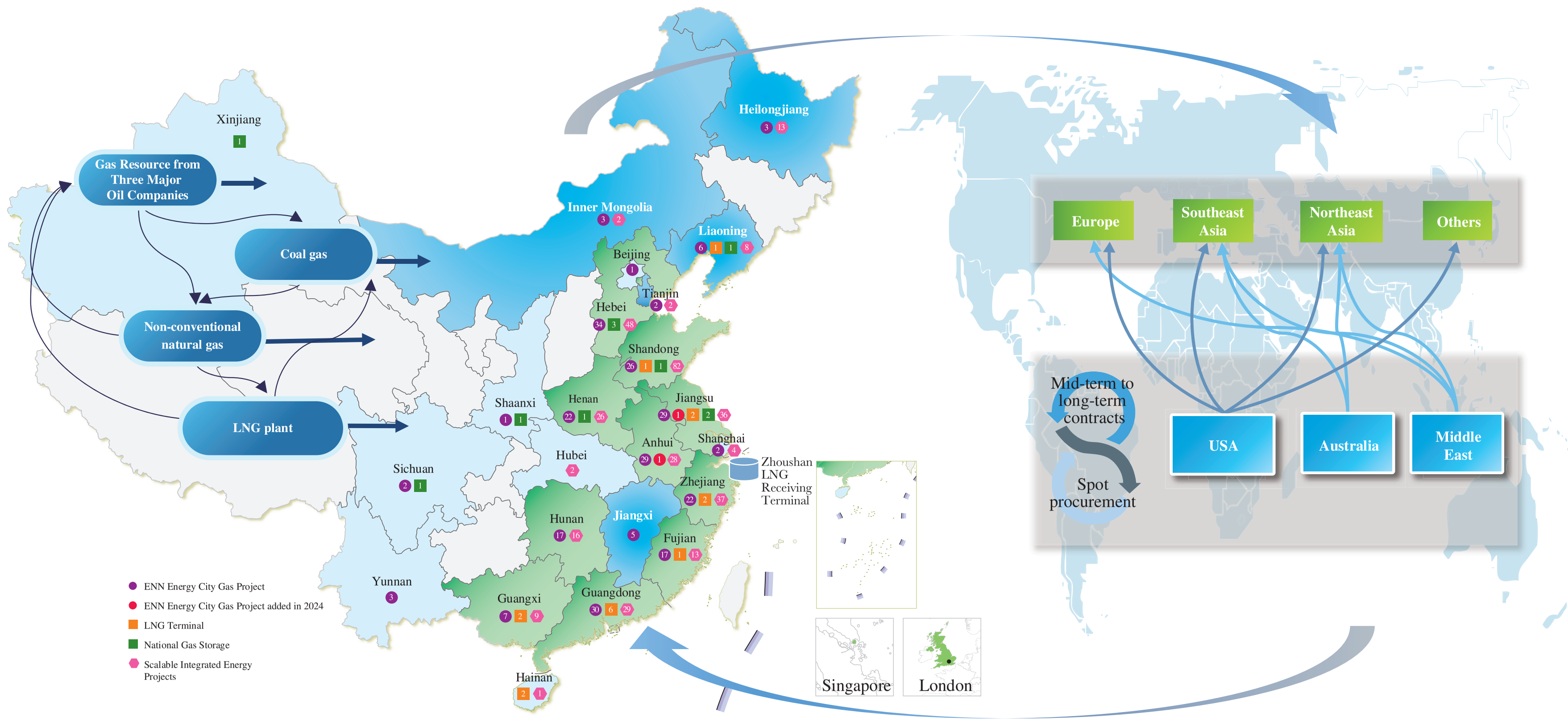
To meet the growing market demand for clean energy and seize the opportunities presented by the "Zero-Carbon Industrial Park Construction Year," we will continue to strengthen our investment in research and development, develop innovative new energy technologies and products, and improve our technological innovation system. Furthermore, we will undertake research and exploratory engagements in low-carbon management, integrated clean energy solutions, and clean utilization of resources. Through these efforts, we aim to actively position ourselves in new arenas involving low-carbon technology within the clean energy sector and become a leading enterprise in the global energy transition.

We will focus on customer needs, using intelligent benchmarking to optimize process-side operations, and leveraging planning and design to drive energy-saving optimization. It strengthens technology plus intelligence to create overall solutions, transforming towards multi-technology, multi-system integrated energy system businesses for industrial parks. It iterates on diverse hydrogen production technologies, including natural gas and industrial by-products, and develops core equipment such as green hydrogen, green ammonia, and integrated hydrogen production and refueling skid-mounted stations. It ecologically expands markets for transportation, hydrogen-ammonia-methanol, and industrial hydrogen use. It increases the research and application of hydrocracking technology, focusing on promoting clean coal utilization projects to obtain high-quality natural gas resources to promote the low-carbon upgrading.

OUR BUSINESS

We have an integrated upstream, midstream and downstream business portfolio in clean energy industry and we primarily operate a vertically integrated business model along and across the entire natural gas value chain. We primarily generate revenue from our six major business segments during the Track Record Period: (i) the natural gas sales, (ii) the integrated energy business, (iii) the value-added business, (iv) the engineering construction and installation, (v) infrastructure operations, and (vi) the energy production.

The following diagram illustrates our current business layout[12].



12 The diagram reflects our operating data as of December 31, 2024, which includes the operating data of certain of ENN Energy's associated companies and joint ventures (the "**AJVs' operating data**") that was reflected in ENN Energy's public filings during the Track Record Period. ENN Energy included those AJVs' operating data in its public filings because the relevant business of those AJVs were operated by ENN Energy during the corresponding reporting periods. Therefore, excluding such AJV's operating data may result in its operating data being incomplete.

The following table sets forth a breakdown of our revenue by business segments during the Track Record Period.

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Natural gas sales	120,199	80.1	109,275	77.4	103,774	76.9
Integrated energy business	12,052	8.0	15,192	10.8	15,565	11.5
Value-added business	3,534	2.4	3,960	2.8	4,779	3.5
Engineering construction and installation	8,440	5.6	8,517	6.0	5,936	4.4
Infrastructure operations	227	0.2	206	0.1	563	0.4
Energy production	5,568	3.7	3,965	2.9	4,329	3.3
Total	**150,020**	**100.0**	**141,115**	**100.0**	**134,946**	**100.0**

Natural Gas Sales Business

The natural gas sales business involves selling natural gas to our customers. We classify our natural gas sales business into retail of gas, direct gas sales by platform and wholesale of gas, based on differences in natural gas procurement, customer structure, business model, and other relevant factors. During the Track Record Period, our revenue generated from our natural gas sales business accounted for 80.1%, 77.4% and 76.9% of our total revenue during the same periods, respectively.

The following table sets forth the breakdown of our revenue from natural gas sales business by sales model during the Track Record Period.

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Retail of gas	70,051	58.3	69,453	63.6	67,241	64.8
Direct gas sales by platform	16,314	13.6	10,649	9.7	12,884	12.4
Wholesale of gas	33,834	28.1	29,173	26.7	23,649	22.8
Total revenue from natural gas sales	**120,199**	**100.0**	**109,275**	**100.0**	**103,774**	**100.0**

Retail of Gas

We operate our retail of gas business through ENN Energy, which primarily engages in supplying natural gas to our domestic end customers, including both residential and C&I customers. During the Track Record Period, our revenue generated from the retail of gas accounted for 46.7%, 49.2% and 49.8% of our total revenue, respectively.

Retail of gas

Our retail of gas primarily involves selling natural gas to our domestic retail customers for their own consumption. Such retail customers are mainly (i) residential customers that connect to our pipeline networks, and (ii) C&I customers, including industrial customers in the production and manufacturing of steel, textile, glass and ceramics sectors, as well as commercial and public-service customers such as restaurants, hotels, hospitals and educational institutions. We also sell LNG and CNG to end users directly through our self-owned vehicle refueling stations. Such non-PNG retail sales only account for an insignificant portion of our retail of gas business during the Track Record Period. According to Frost & Sullivan, we ranked third in terms of retail volumes of natural gas in China's natural gas retail market and ranked first in terms of retail volumes of natural gas among privately-owned enterprises in China's natural gas retail market in 2024.

The following table sets forth the key operational data of our retail of gas business during the Track Record Period.

	For the year ended December 31,		
	2022	**2023**	**2024**
Number of city gas projects in China	216	214	215
Accumulated number of PNG retail customers:			
Residential households *(thousand)*	24,468	23,662	24,822
C&I customers *(sites)*	208,628	199,778	222,110
Accumulated installed designed daily capacity for C&I customers *(thousand m^3)*	161,917	165,698	178,040
Volume of retail of gas *(thousand m^3)*			
Residential households	4,075,170	4,075,542	3,844,653
C&I customers	17,207,960	17,060,568	16,830,399
Gas sold through vehicles refueling stations	317,645	246,497	214,069
Total sales volume of retail of gas *(thousand m^3)*	21,600,775	21,382,607	20,889,121

Note:

(1) The above table reflects the operating data of the entities consolidated in our financial statements, and excludes the AJVs' operating data that was reflected in ENN Energy's public filings during the Track Record Period. ENN Energy included those AJVs' operating data in its public filings because the city gas business of those AJVs were operated by ENN Energy during the corresponding reporting periods. Therefore, excluding such AJV's operating data may result in its operating data being incomplete. If combining the AJVs' operating data, the key operating data of our retail of gas business during the Track Record Period were as follows: (i) the numbers of city gas projects were 254, 259 and 261, respectively, (ii) the accumulated number of our residential household customers were 27.9 million, 29.8 million and 31.4 million, respectively, (iii) the accumulated number of our C&I customers (in terms of sites) were 224.5 thousand, 243.2 thousand and 270.9 thousand, respectively, (iv) the accumulated installed designed daily capacity for C&I customers were 183,326 thousand m^3, 200,890 thousand m^3 and 215,962 thousand m^3, and (v) the total sales volume of our retail of gas business were 25.9 billion m^3, 25.1 billion m^3 and 26.2 billion m^3, respectively.

Concession Rights

Pursuant to Measures for the Administration of Concession for Infrastructure and Public Utilities (《基礎設施和公用事業特許經營管理辦法》), our city gas projects for the retail of gas mainly rely on the exclusive concession rights granted by local Chinese governments to us. As of December 31, 2024, we have obtained 250 concession rights for our retail of gas, including 239 concession rights based on the relevant concession agreements with local Chinese governments and 11 concession rights obtained according to the relevant governmental approvals, notifications and/or authorization certificates. The concession rights we obtained for our retail of gas business normally last for 10 to 30 years, which authorize us to operate PNG within operating areas, ensuring stable supply to our residential customers and C&I customers under regulated pricing frameworks. In addition, we were granted the exclusive rights to sell PNG to our end customers in the operating areas and to construct urban pipeline network within such areas.

The following table sets forth maturity analysis of our concession rights as of December 31, 2024[1].

	As at December 31, 2024	
	Number	*%*
Concession rights under the concession agreements		
To be expired within five years	3	1.2
To be expired between five to ten years	39	15.6
To be expired over ten years	197	78.8
Subtotal	**239**	**95.6**
Concession rights under the relevant governmental approvals		
To be expired between five to ten years	2	0.8
To be expired over ten years	9	3.6
Subtotal	**11**	**4.4**
Total	**250**	**100.0**

Note:

(1) The number of our Group's concession rights as at December 31, 2024 was calculated by consolidating such rights hold by the entities consolidated in our financial statements, and excludes the AJVs' operating data that was reflected in ENN Energy's public filings during the Track Record Period.

The following table sets forth the typical key terms of our concession agreements and/or the relevant governmental authorizations/approvals granting the concession rights to us.

Concession grantor .	:	Public utility departments of municipal and county people's governments (the "**Grantor**").
Concession grantee .	:	The Company and/or its Group members (the "**Grantee**").
Business scope	:	The Grantee is entitled to operate exclusively within the operating area as prescribed by the relevant concession agreements, including (i) the sale of PNG to gas users; and (ii) the construction, maintenance, operation, repair and emergency rescue of pipelines and related facilities.
Operating area	:	The operating area under the concession rights varies depending on the different concession agreement, which is generally determined by the Grantor and can only be adjusted with the Grantor's authorization.
Concession period . .	:	The duration of our concession agreements normally ranges from 10 to 30 years.
Ownership of natural gas infrastructure	:	Natural gas infrastructure (such as pipeline networks, city gate stations, or other related facilities) invested in, constructed and installed by the Grantee are currently owned by the Grantee. Depending on the terms of concession agreements with different local governments, in the event that the concession agreements are not renewed, the relevant facilities invested in or constructed by the Grantee should be repurchased by the Grantor for an independent appraisal-based consideration.
Assignment, transfer or pledge	:	We are not allowed to transfer, lease or pledge the concession rights and associated interests to any third party.
Pricing of natural gas	:	The PNG selling prices to the end customers should follow the benchmark rates determined and approved by the local pricing authorities. Other services, if provided, should be priced according to the pricing standards that are approved by the local pricing authorities. Natural gas usage fees should be calculated by multiplying the unit PNC price per m^3 or thermal unit by consumption volume. In the event that the Grantee's operating cost significantly changes, the Grantee may apply for an adjustment to its PNG selling price.

Cancellation . . . . : The Grantee's concession rights granted by the Grantor will be cancelled and/or subject to temporary takeover by the Grantor upon certain circumstances, which include but not limited to:

- the Grantee's transferring, leasing, pledging and/or disposing the concession rights without the Grantor's authorization;
- the Grantee's cessation and/or suspension of supplying natural gas without the Grantor's authorization;
- the Grantee's failure to operate due to its mismanagement or occurrence of any extremely serious quality or safety incidents; or
- other incidents or conducts of the Grantee that are prohibited by the concession agreements and relevant laws and regulations.

Termination . . . . : The concession agreements shall terminate upon the expiration of the concession terms or by mutual agreement by the parties thereto.

Breach . . . . : In the event of a breach under the concession agreements, the non-defaulting party is generally entitled to seek damages against the defaulting party for any actual loss suffered.

Geographic Coverage of Retail of Gas

The following table sets forth the breakdown of the retail volume sales to our residential customers and C&I customers by geographic regions during the Track Record Period.

	For the year ended December 31,					
	2022		2023		2024	
	Volume	% of total	Volume	% of total	Volume	% of total
	(thousand m^3, except percentages)					
East China(1)	11,378,146	53.5	11,613,772	55.0	11,887,715	57.5
South & Southwest China(2)	4,349,960	20.4	4,209,824	19.9	4,076,259	19.7
North & Northeast China(3)	2,656,406	12.5	2,770,454	13.1	2,771,047	13.4
Central China(4)	2,898,618	13.6	2,542,060	12.0	1,940,031	9.4
Total	**21,283,130**	**100.0**	**21,136,110**	**100.0**	**20,675,052**	**100.0**

Notes:

(1) East China region primarily includes Jiangsu, Shandong, Zhejiang, Anhui, Fujian provinces.

(2) South China and Southwest China regions primarily include Guangdong, Guangxi and Sichuan provinces.

(3) North China & Northeast China regions primarily include Hebei, Liaoning, Inner Mongolia and Heilongjiang provinces.

(4) Central China region includes Hunan, Henan and Hubei provinces.

Direct Gas Sales by Platform

We primarily engages in selling the natural gas we procured from overseas suppliers, supplemented by domestic natural gas resources, to our non-residential customers directly who are outside of our operating areas under the concession rights. During the Track Record Period, our revenue generated from the direct gas sales by platform accounted for 10.9%, 7.5% and 9.5% of our total revenue, respectively.

For our direct gas sales by platform, we emphasize customer-centric selling approach and adopt personalized sales service to address specific customers' demands. During the Track Record Period, the customers of our direct gas sales by platform are primarily domestic and international non-residential customers. As of December 31, 2024, we have 571 domestic non-residential customers such as city gas companies, energy groups and large industrial customers, and 14 international non-residential customers such as public utility companies, oil and gas companies and energy trading companies. Our vertically integrated business model along and across the entire natural gas value chain, such as our diversified natural gas resources, our infrastructure operation of the Zhoushan LNG Receiving Terminal and our extensive customer bases, appeals to both domestic and international customers prioritizing supply stability and operational flexibility.

The following table sets forth the breakdown of revenue and sales volume of our direct gas sales by platform by geographic regions during the Track Record Period.

	For the year ended December 31,					
	2022		2023		2024	
	Amount	Volume	Amount	Volume	Amount	Volume
	(RMB in thousands for amount; thousand m^3 for volume)					
Mainland China	2,319,856	1,479,700	2,881,388	3,113,095	5,668,914	3,401,129
Overseas	13,993,908	2,027,319	7,767,392	1,936,836	7,214,711	2,167,021
Total	**16,313,764**	**3,507,019**	**10,648,780**	**5,049,931**	**12,883,625**	**5,568,150**

Wholesale of Gas

We operate our wholesale of gas primarily through ENN Energy, which serves as a pivotal peak-shaving mechanism for our retail of gas. We sold natural gas to our wholesale customers outside our pipeline network's reach primarily for their onward sales to address their temporary supply shortage. Wholesale customers are primarily city gas enterprises, gas traders and natural gas refueling stations. During the Track Record Period, our revenue generated from the wholesale of gas accounted for 22.6%, 20.7% and 17.5% of our total revenue, respectively. We generally enter into framework supply agreements with our wholesale customers, specifying the purchase volume and price for the gas supply, which are based on our wholesale customers' gas demand, the unit gas selling price and the actual gas volume we supply. Our natural gas wholesale volume was 6.8 billion m^3, 8.5 billion m^3 and 7.5 billion m^3, respectively, during the Track Record Period.

Pricing and Payment of Natural Gas Sales

Pricing

The pricing of retail of gas in China operates under a government-guided pricing framework. In principle, the natural gas sales price is calculated as the procurement cost plus gas distribution fees, with city gas distribution prices regulated under the Guidance on Strengthening the Regulation of Gas Distribution Prices (《關於加強配氣價格監管的指導意見》). The gas distribution price follow the permitted cost plus reasonable profit model and must be recalibrated at least every three years. Currently, many cities in China have established price linkage mechanisms for C&I customers, while some cities have also implemented such mechanism for residential customers, allowing us to make adjustments to gas sales prices based on the extent of upstream city gate station price changes. From time to time, local pricing authorities may hold hearing sessions according to relevant pricing laws and regulations to discuss and determine adjustments to the retail selling price, in order to reflect the changes in the gas supply prices. See "Regulatory Overview — PRC Laws and Regulations Relating to Pricing of Natural Gas" for more details. As confirmed by our Directors, during the Track Record Period and as of the Latest Practicable Date, we had complied with, in all material aspects, all applicable PRC laws and regulations in respect of the pricing of the natural gas we sold to our retail customers.

During the Track Record Period, we also sold natural gas to our customers of direct gas sales by platform and wholesale of gas. As advised by Frost & Sullivan, the pricing of natural gas sold to these customers is not subject to any regulatory regime, and such pricing is largely driven by market demand and supply. Our sales price of natural gas to these non-retail customers are affected by and determined on the basis of a range of factors, including economic conditions of the area, prevailing market rates, customers demand and procurement price, and robustness of logistics and transportation. During the Track Record Period, the selling prices of natural gas to direct gas sales by platform customers and wholesale customers were negotiated between us and such customers, on normal commercial terms and in good faith.

The following table sets forth the average selling prices (exclusive of VAT) of our retail and wholesale of gas during the Track Record Period.

	For the year ended December 31,		
	2022	2023	2024
		(RMB/m³)	
Retail of gas	3.24	3.25	3.22
Wholesale of gas	5.02	3.44	3.23

Payment

The manner in which gas usage fees is paid varies between different categories of our retail customers.

Generally speaking, residential customers and C&I customers use smart IC cards to pay their gas usage fees in advance. Such customers typically purchase gas units in cash at our points of sale and details of the prepaid gas units are stored electronically in a smart IC card. The IC card is inserted into a gas meter installed at a customer's premises to activate the customer's gas supply and units of gas used are then deducted from the IC card as they are used. When the level of prepaid gas units drops to a certain level, the gas meter will produce a sound signal to remind the customer to replenish the value stored in the IC card. The stored value prepaid card system minimizes the risk of payment default by our customers and saves significant administrative expenses, thus enhancing our cash flow. For customers not using smart IC cards, gas meter reading is regularly conducted by us at our customers' premises to record the amount of gas such customers used during a certain period, after which the customers pay relevant gas usage fees according to the gas meter reading results. Moreover, the retail customers can also register as a user on our e-City-e-Home platform by inputting the gas meter numbers (a unique identifier code for gas metering devices at the customers' residence). Such customers can purchase gas directly through the platform, which also enables real-time, automatic uploading of gas meter data to the gas meters or IoT meters installed at their homes. In addition to buying gas and paying bills, users can manage their consumption and update their account information via the platform, supporting a seamless, fully digital user experience. See "— Our Digital Intelligence Capabilities — E-City-E-Home: Integrated Digital-Intelligence Customer Service Platform" for more details.

For our direct gas sales by platform customers and wholesale customers, the payment and settlement method vary for each of the direct gas sales by platform and wholesale transaction, depending on the terms agreed in each of the agreements between us and our customers. Generally speaking, our domestic customers are required to make prepayments to us. The prepayments are deducted on a fixed term according to the volume of gas actually consumed and metered. In addition, our overseas customers normally issue letters of credit according to the relevant contracts and pay the gas purchase fees after they receive the invoice from us.

Upstream Natural Gas Supply

We have a globally diversified portfolio of upstream natural gas supplies. During the Track Record Period, we obtained natural gas resources primarily through procurement from third parties and our self-produced natural gas sources, and have established a comprehensive supply network spanning conventional and unconventional resources, international and domestic markets, delivering stable and reliable natural gas resources. Other than procuring natural gas from our upstream gas suppliers, to a lesser extent, we also produce or process natural gas through our self-owned or invested production facilities. During the Track Record Period and up to the Latest Practicable Date, we did not experience any shortage of supply suspension, emergency supply state or any other incident, which had a material adverse impact on our business operations and financial positions.

The following table sets forth the breakdown of our natural gas procurement volume by supplier types during the Track Record Period.

	For the year ended December 31,					
	2022		2023		2024	
	Volume	% of total	Volume	% of total	Volume	% of total
	(thousand m^3, except percentages)					
Domestic natural gas procurement . .	28,152,964	87.7	30,219,229	85.9	28,862,760	84.0
Overseas natural gas procurement	3,936,981	12.3	4,941,522	14.1	5,512,382	16.0
Total	**32,089,945**	**100.0**	**35,160,751**	**100.0**	**34,375,142**	**100.0**

Major Domestic Natural Gas Suppliers

We have established stable business relationships with a diversified range of major suppliers to secure our long-term supply of natural gas in a cost efficient and flexible manner.

The natural gas supply for our retail of gas, other than the procurement from overseas natural gas and oil producers, is primarily sourced from the Three Major Oil Companies and other gas resource providers. We also procure natural gas from other third-party domestic suppliers from time to time for our wholesale of natural gas. During the Track Record Period, we normally entered into annual natural gas purchase and sales agreements with our domestic suppliers and the relevant procurement amount was normally adjusted on a monthly, quarterly or annually basis. The procurement pricing model is generally determined by the types of the natural gas sources, where PNG pricing is regulated by the Chinese government with certain floating pricing flexibility within the regulated pricing framework, and non-PNG based procurement generally follows a market-driven pricing model.

In addition, we have entered into two long-term take-or-pay (TOP) agreements (the "**TOP Agreements**") with the Three Major Oil Companies as of the Latest Practicable Date, one of which has a term of 10 years and the other of five years. Under both TOP agreements, we, as the gas buyer, commit to pay for an annual minimum contracted volume of gas (the "**Annual TOP Gas Volume**"), regardless of actual procurement volume. If we fail to purchase the Annual TOP Gas Volume in a given year, we are required under such TOP Agreements to compensate the gas sellers for the shortfall of the Annual TOP Gas Volume in that given year (the "**Shortfall Gas Volume**") at a pre-negotiated price. These TOP Agreements are tied to overseas pricing indices with structured pricing model, allowing us to lock in predictable pricing in the long run and reduce our exposure to short-term market volatility.

Major Overseas Natural Gas Suppliers

Apart from the domestic natural gas suppliers, we have been systematically diversifying our natural gas sources by securing natural gas supplies from international suppliers. We started our natural gas import business in June 2007 and we have been continuing importing overseas natural gas since then to diversify our natural gas sources and mitigate risks of single natural gas market volatility. During the Track Record Period, our procurement volume of natural gas from the overseas suppliers were 3.9 billion m^3, 4.9 billion m^3 and 5.5 billion m^3, respectively, accounted for 12.3%, 14.1% and 16.0% of our total natural gas purchase, respectively.

We secure diversified natural gas supplies through a combination of long-term sales and purchase agreements (the "**SPAs**") with overseas suppliers and flexible spot procurement from time to time. The hybrid approach could balance price stability and flexibility and mitigate risks associated with dependency on single gas source market, geopolitical tensions and sudden demand spikes, further enhancing the natural gas stability and security for our downstream sales business. The following table sets forth the breakdown of overseas natural gas supply volumes by procurement types during the Track Record Period.

	For the year ended December 31,					
	2022		2023		2024	
	Volume	% of total	Volume	% of total	Volume	% of total
	(thousand m^3, except percentages)					
Natural gas procured under SPAs	2,042,792	51.9	3,050,253	61.7	2,536,248	46.0
Natural gas spot procurement	1,894,189	48.1	1,891,269	38.3	2,976,134	54.0
Total	**3,936,981**	**100.0**	**4,941,522**	**100.0**	**5,512,382**	**100.0**

As of the Latest Practicable Date, we have entered into nine SPAs featuring take-or-pay obligations with our major overseas suppliers. Under such SPAs, we, as the buyer, commit to pay for the Annual TOP Gas Volume, regardless of the actual natural gas procurement volume. If we fail to purchase the Annual TOP Gas Volume in a given year, we are required to compensate the gas sellers for the Shortfall Gas Volume at a pre-negotiated price. In addition, these SPAs are generally tied to diversified pricing indices such as Henry Hub, JCC and/or Brent, which allow us to lock in predictable pricing in the long run and reduce our exposure to short-term market volatility. Such SPAs could also hedge against geopolitical risks, supply disruptions and sudden demand spikes by aligning prices with transparent and market-driven benchmarks. Concurrently, we leveraged our professional teams to implement hedging strategies and conduct relevant hedging activities, further mitigating price volatility and ensuring long-term price stability. See "— Hedging Activities and Risk Management" for details.

The following table sets forth the key arrangement under the nine SPAs.

Signing time	August 2016	July 2016	October 2021	January 2022	March 2022	March 2022	December 2022	June 2023	April 2025
Duration	10 years	10 years	13 years	11 years	20 years	20 years	20 years	20 years	15 years
Supply volume	660 thousand tons per year	500 thousand tons per year	900 thousand tons per year	600 thousand tons per year	900 thousand tons per year	1.8 million tons per year	2.0 million tons per year	1.8 million tons per year	1.0 million tons per year
Delivery	DES	DES	FOB	DES	FOB	FOB	FOB	FOB	DAP
Expected supply time	2018	2018	2022	2025	2029	2029	2027	2026	2028
Index	JCC	JCC/Henry Hub	Henry Hub	Brent	Henry Hub	Henry Hub	Henry Hub	Henry Hub	Brent
Jurisdiction	Governed by the English law.								

Natural Gas Procurement Price

The purchase price of non-PNG (mainly LNG) is largely market-driven, influenced by domestic and global supply and demand dynamics. In April 2019, the NDRC adjusted the benchmark gate prices for natural gas for each of the provinces and municipalities, resulting in differentiated pricing that reflects regional economic development levels, distribution costs, and supply conditions. In May 2020, the updated Central Pricing Catalogue (《中央定價目錄》) was published by the NDRC, which clarified that the gate prices for offshore gas, shale gas, CBM, COG, LNG, direct-supply gas, gas for storage facilities, and gas traded on open platforms, as well as imported PNG commissioned after 2015 and natural gas in provinces with competitive conditions, should be determined by the market. Gate prices for other domestically produced onshore PNG and imported PNG commissioned before the end of 2014 remain subject to the original gate price regulation. Gas suppliers and purchasers may negotiate prices within a range of up to 20% above the benchmark price, with no limit on downward adjustments, based on supply and demand conditions. The transition to market-based pricing will gradually progress in accordance with the pace of natural gas market reforms.

Midstream Processing, Storage and Transmission

Zhoushan LNG Receiving Terminal

As a key pivot for LNG imports into China, LNG receiving terminals constitute indispensable infrastructure along the natural gas value chain. They serve as core nodes that facilitate the seamless connection between upstream supply sources and downstream needs, playing a pivotal role in ensuring energy security and supply chain efficiency. The main functions of such critical infrastructure include unloading, storage, processing (such as regasification) and peak-shaving of natural gas. These terminals typically comprise LNG storage tanks, regasification facilities, and specialized berths for LNG carrier vessels, ensuring the efficient handling and transmission of natural gas to meet downstream demand for natural gas.

In August 2022, we completed the acquisition of 90% shareholding of ENN Zhoushan and further strengthened our strategic pivot role in the entire natural gas value chain deployment, marking a strategic milestone in consolidating our full-chain capabilities. The Zhoushan LNG Receiving Terminal is located in Zhoushan, Zhejiang, which integrates multiple functions including LNG receiving and unloading, storage, gasification and transmission, vessel bunkering, and emergency peak-shaving. It is the first LNG receiving terminal approved by the National Energy Administration to be invested in, constructed and managed independently by a privately-owned enterprise. Moreover, it is also the first LNG receiving terminal in China that can provide clean fuel bunkering services for international shipping vessels, which has facilitated our global market expansion. According to Frost & Sullivan, as of December 31, 2024, the total numbers of LNG receiving terminals in China has reached 32 (including three privately-owned LNG receiving terminals), with a total annual designed processing capacity of approximately 156.3 million m^3 of natural gas. Among the three privately-owned LNG receiving terminals in China, our Zhoushan LNG Receiving Terminal ranked first in terms of annual actual processing volumes in 2024. Our ownership of Zhoushan LNG Receiving Terminal provides us distinct advantages in a market traditionally dominated by state-owned giants, which allow us to obtain more diversified natural gas sources, flexibly utilize our own receiving terminal to import resources, improve the resource resilience, and offer diversified services such as tank capacity leasing, "low-season storage and peak-season sale" service, and offshore bonded transshipment for more market players. The Zhoushan LNG Receiving Terminal serves as a strategic pivot in our natural gas business. Through ecosystem-based collaborations, including delivery window swaps with other third parties' terminals, it strengthens our delivery capabilities, helping us to optimize resource allocation and ensure efficient, reliable service to our customers.

We have completed the construction of the first two phases of Zhoushan LNG Receiving Terminal in August 2018 and June 2021, respectively. The third construction phase of our Zhoushan LNG Receiving Terminal was launched in October 2022 and is expected to be put into operation in the second half of 2025. Currently, our Zhoushan LNG Receiving Terminal primarily comprises (i) three LNG docks, namely No. 1 LNG dock, No. 2 LNG dock and No. 3 LNG dock, which are specialized docks for LNG carriers and vessels to berth and unload LNG via cryogenic pipelines, (ii) four storage tanks, which were constructed under Phase I and Phase II constructions with a total designed storage capacity of 384 million m^3 (in gaseous state) of natural gas. Once the Phase III construction of the other four storage tanks is completed, the total storage capacities will reach 912.0 million m^3, (iii) seven regasification facilities, each with regasification capacity of 202 tons per hour, and (iv) LNG truck loading area, equipped with IoT intelligent system and comprehensive loading and transmission facilities, such as 28 truck loading skids, LNG tanker refueling machine, fully-automated quantitative loading system, residual pressure recovery system and heavy or empty truck parking areas.

In addition, according to the LNG Receiving Terminal Capacity Certification Methodology (《液化天然氣接收站能力核定辦法》) (SY/T7434-2018) issued by the National Energy Administration and a capacity certification report issued by China International Engineering Consulting Corporation, our Zhoushan LNG Receiving Terminal has demonstrated an actual processing capacity of 7.5 million tons per year. The total unloading volume of the Zhoushan LNG Receiving Terminal reached 2.4 million tons in 2024, critically reinforcing gas supply stability for Zhejiang province and the Yangtze River Delta region, making it the second largest gas supplier of Zhejiang province in terms of the LNG transmission volume in 2024, according to Frost & Sullivan. Moreover, such processing capability is supported by submarine pipelines with an annual transmission capacity of 8 billion m^3 per year. Once the Phase III construction of Zhoushan LNG Receiving Terminal is completed, its estimated actual processing capacity is expected to exceed 10 million tons per year. Furthermore, we optimize our profitability through market-driven mechanisms such as capacity swaps, delivery window swaps and bonded tank leasing with other gas operators, which improve the utilization rate of the Zhoushan LNG Receiving Terminal.

The following table sets forth the relevant details of our Zhoushan LNG Receiving Terminal.

Construction phases of Zhoushan LNG Receiving Terminal	Commencement time	Completion time	Facilities	Designed annual processing capacity
				(thousand tons)
Phase I	January 2016	August 2018	• Two storage tanks with total storage capacity of 192 million m^3 (in gaseous state) under the Phase I construction[(1)] • Three LNG docks	3,000
Phase II	December 2018	June 2021	Two storage tanks with total storage capacity of 192 million m^3 (in gaseous state) under the Phase II construction[(1)]	2,000
Phase III	October 2022	Expected to be completed in the second half of 2025	Four storage tanks with total storage capacity of 528 million m^3 (in gaseous state) under the Phase III construction[(2)]	3,500
Total capacity	N/A	N/A	The total storage capacities of the eight tanks will be 912 million m^3 once the Phase III construction is completed	The total designed annual processing capacities will be 8,500 thousand tons once the Phase III construction is completed.

Notes:

(1) The total storage capacities of the four tanks under Phase I and Phase II constructions are 640,000 m^3 (in liquid state), each with a 160,000 m^3 storage capacity.

(2) The total storage capacities of the four tanks under Phase III construction will be 880,000 m^3 (in liquid state), each with a 220,000 m^3 storage capacity.

The following table sets forth the key operational data of our Zhoushan LNG Receiving Terminal during the Track Record Period.

	For the year ended December 31,		
	2022	2023	2024
	(thousand tons, except for utilization rate)		
Annual designed natural gas processing capacity	5,000	5,000	5,000
Annual actual natural gas unloading volume	1,463	1,572	2,412
Utilization rate[(1)]	29.3%	31.5%	48.2%

Note:

(1) The utilization rate of the Zhoushan LNG Receiving Terminal is calculated by dividing (a) annual designed processing capacity by (b) annual actual unloading volume for the period indicated.

Our Zhoushan LNG Receiving Terminal provides comprehensive services, including vessel loading and unloading, tank capacity leasing and storage, offshore bonded transshipment, bunkering services and regasification, thereby driving its diversified revenue growth. Its primary revenue streams include charging fees from its customers for unloading, storage and regasification. The following table sets forth the numbers of vessels unloaded at our Zhoushan LNG Receiving Terminal during the Track Record Period.

	For the year ended December 31,		
	2022	2023	2024
Number of vessels carrying our self-owned/self-purchased natural gas resources	22	23	26
Number of vessels carrying third parties' natural gas resources	1	1	11
Number of total vessels	**23**	**24**	**37**

We have adopted and implemented a seasonal pricing model since 2021 for most of our customers, with peak-season rates from November to March and off-season rates from April to October in each year. The pricing details are usually determined in the terminal usage agreements (the "**TUAs**") with our customers, with adjustments reflecting seasonal demand patterns. The duration of our TUAs usually spans from four years to ten years. Generally speaking, a take-or-pay mechanism was adopted for most of the TUAs, which provides that the users of our receiving terminal shall pay the relevant usage fees corresponding to a predetermined take-or-pay volume to us, regardless of whether such user actually utilized such contractual volume. For certain customers requiring tailored arrangements, conditional make-up rights may be negotiated, subject to rigorous capacity assessments and mutual agreement, thereby balancing commercial agility with terminal utilization optimization. In addition, the TUAs detailed the LNG delivery schedule. The customers are required to provide an annual LNG vessel scheduling and estimated offtake volumes by year-end, whereas we generally provide a dynamic 90-day rolling schedule to the customers by the 26th day of each month outlining the berthing windows and resource allocations in the next three months. This dual-layered scheduling approach safeguards both planning certainty and adaptive responsiveness and enables real-time adjustments to align with customers' demands. Moreover, laytime used in unloading an LNG ship is determined according to the actual unloading volume. The allowed laytime for vessels with less than 180,000 m^3 of natural gas is generally 36 hours, while the allowed laytime for more than 180,000 m^3 unloading volumes will be negotiated on a case-by-case basis. Furthermore, for long-term users of our LNG receiving terminal, we adopt a payment model combining monthly advance payment with annual settlement, whereby the users make advance payments each month based on projected usage or contractual unloading volume and the actual unloading volumes will be reconciled against prepayments at the end of each fiscal year.

Natural Gas Storage Facilities and Capacities

Natural gas storage facilities are also critical infrastructure in balancing supply and demand across the natural gas value chain. We possess robust and sufficient storage capacity, which strategically strengthens our ability to execute a "low-season storage, peak-season sales" business model. Such storage capability enables us to purchase and store natural gas resources during off-peak periods at lower procurement costs and efficiently release such natural gas supply during peak demand seasons, thereby optimizing our pricing flexibility and further stabilizing the natural gas market supply. During the Track Record Period, our natural gas storage capacities primarily include (i) our self-owned storage facilities, which mainly consist of the four tanks with total storage capacities of 384 million m^3 (in gaseous state) at our Zhoushan LNG Receiving Terminal (which will reach 912 million m^3 once the phase III construction of the other four storage tanks is completed), as well as the storage tanks deployed nationwide with an aggregated storage capacities of approximately 55 million m^3 in support of our city gas projects, (ii) the storage capacities we obtained from PipeChina, and (iii) the storage capacities we obtained from the Three Major Oil Companies. The various storage arrangements help us optimize import timing, manage delivery risk, and maintain operational continuity across multiple regions in China.

We have entered into TUAs with PipeChina to use the storage tanks in its LNG receiving terminals, including the Tianjin LNG receiving terminal in Tianjin, Yuedong LNG receiving terminal in Jieyang, Guangdong, and Beihai LNG receiving terminal in Beihai, Guangxi. These arrangements allow us to utilize PipeChina's terminal infrastructure during a certain period for unloading, storage and temporary handling of our imported LNG resources, which are essential for us to deliver LNG to our customers in an efficient and timely manner, particularly during peak demand periods. In addition, we have secured a 10-year natural gas storage capacity of 60 million m^3 per year at the Wen 23 Gas Storage Facility from PipeChina in 2023, enabling us to further expand our footprint in central regions of China that normally have limited access to diversified gas resources such as overseas LNG sources. According to the storage service agreement with PipeChina, our annual storage capacity at the Wen 23 Gas Storage Facility is subject to a take-or-pay arrangement requiring us to pay in full regardless of actual usage of such storage capacity. We may, upon PipeChina's consent, assign any of the unused annual storage capacity to third parties. Meanwhile, if we need more storage capacity in any given year that exceeds the contracted storage volume, we may also apply for additional storage capacities from PipeChina if there are available capacities. The relevant storage service fees are negotiated between us and PipeChina based on its publicly disclosed pricing arrangement, which comprise the annual storage capacity fee, the gas injection fee, the gas withdraw fee, and off-site extraction fees, all charged on a per m^3 basis.

Moreover, we have strengthened our cooperation with the Three Major Oil Companies and also entered into annual storage service agreements with their storage facilities to secure our natural gas storage capacities. As of December 31, 2024, we have secured an aggregate storage capacities of 5.0 million m^3 in Wen 96 Gas Storage Facility, Jintan Gas Storage Facility and Huangchang Gas Storage Facility. Overall, our diversified portfolio of storage capacities enables us to align supply coverage with both customer demand and upstream gas sources, ensuring broad geographic reach, enhanced security and stability of natural gas supply, and greater flexibility in responding to seasonal demand fluctuations. These advantages further strengthen our overall energy management and operational resilience.

Natural Gas Transportation Capabilities

We transport natural gas in liquid or gaseous forms to downstream customers through a diversified combination of transportation methods such as pipelines, tanker trucks and vessels, ensuring efficient and reliable delivery of natural gas to our customers. Our natural gas transportation networks primarily consist of (i) the pipeline transmission networks under PipeChina's regulation, and (ii) our self-owned pipelines and transportation capabilities.

Following a national reform of natural gas system in 2019 that segregated the midstream gas transmission from the downstream gas sales dominated by the SOEs (such as the Three Major Oil Companies), PipeChina has been the single coordinator and regulator of natural gas pipelines in China, which consolidates and coordinates national pipeline resources, and ensures the fair access of market participants to these gas pipelines. To facilitate the transmission of natural gas via the national pipeline networks operated by PipeChina, we have obtained shipper qualification from PipeChina, which allows us to submit gas transmission service applications through PipeChina's transmission service platform. Upon PipeChina's approval of our natural gas transmission applications, the corresponding transmission service orders will be generated on the platform, detailing the transmission volumes, injection and withdrawal points, transmission routes, associated fees and service duration and other related information. Under the circumstances that multiple natural gas transmission orders applied by us during the same periods are approved on the platform, PipeChina will normally consolidate these orders into a single transmission service contract on its platform. Following the payment of required deposits and prepayments under relevant natural gas transmission contracts, we will be allowed to utilize PipeChina's transmission services as per our specifications. As of December 31, 2024, we have been allocated 18 natural gas uploading points and over 200 natural gas downloading points on the national pipelines network, further solidifying our gas transmission reliability and capacity.

In addition, pursuant to our concession agreements with local governments for our retail of gas, we were granted the exclusive right to construct, operate and own gas pipelines in the operation areas specified in such agreements. See "— Our Business — Natural Gas Sales Business — Retail of Gas — Concession Rights" for more details.

Moreover, we have a nationwide fleet of over 1,200 tanker trucks for our LNG sales business as of December 31, 2024, including both self-owned trucks and trucks rent by other third-party logistics providers, with more than 800 tanker trucks dispatched on average on a daily basis in 2024. Additionally, we operate four LNG vessels secured under long-term charter agreements and have six LNG vessels currently under construction. As of December 31, 2024, the four LNG vessels' actual carrying capacity for our sales of natural gas was 802 thousand tons. We also occasionally rent vessels on a short-term basis to meet the needs of our short-haul transportation routes or other temporary peak-shaving requirements.

Furthermore, we have established logistics parks with dedicated logistics fleet in the eastern coastal regions of China that aligns with the geographical coverage of our natural gas sales business to support and serve LNG transportation needs. Such facilities and specialized teams are designed to enhance our regional coverage, optimize LNG supply chains, and reinforce our operational readiness to meet demand efficiently and reliably. For instance, we have built a specialized, large-scale and digitalized LNG smart logistics park in Zhoushan, which primarily serves our LNG business and operations in Zhejiang Province and extends its reach to surrounding regions, including Fujian, Anhui, Jiangsu, Henan and Shandong. Besides, we have a dedicated logistics team with approximately 30 dispatchers responsible for the nationwide coordination of LNG transportation. Leveraging our digital dispatch platform with IoT-enabled technologies, our logistics team conducts remote monitoring of LNG transportation status in real time to ensure the safe and efficient logistics. Their daily responsibilities include but not limited to issuing dispatch plans to drivers of tanker trucks, monitoring abnormalities during transportation, collecting data of available trucks for next-day schedule, reporting transportation capacity and adjusting deployment in real time to address any operational disruptions. The team compiles nationwide trucks utilization data by region on a weekly basis and adjusts the vehicle allocation in a timely manner based on our evolving business and operational needs, thereby improving overall logistics efficiency.

Integrated Energy Business

Overview

Rooted in our clients' needs and centered on the development and utilization of the entire energy value chain, our integrated energy business is tailored to local conditions, prioritizes clean energy, and utilizes complementary multiple-energy sources to provide integrated solutions, with overall implementation and operation. Leveraging our extensive resources, a pioneering integrated energy philosophy and digital intelligence capabilities, we have expanded our capabilities to provide clients with integrated energy solutions, moving beyond traditional gas supply to encompass multiple energy resources, including cooling, thermal energy (such as steam, hot water and heat), electricity, and customized energy saving services tailored to specific production systems and operational requirements. The clients of our integrated energy business are broadly categorized into three types, including (i) industrial parks, such as large-scale industrial hubs or technology parks, (ii) factories, such as manufacturers of energies, food, textile, glass and ceramic, and (iii) commercial buildings, such as shopping mall, hotel and airport. During the Track Record Period, our revenue generated from the integrated energy business was RMB12.1 billion, RMB15.2 billion, and RMB15.6 billion, accounting for 8.0%, 10.8% and 11.5% of our total revenue during the same periods, respectively.

The following table sets forth the key operational data of our integrated energy business during the Track Record Period.

	For the year ended December 31,		
	2022	2023	2024
Accumulated number of integrated energy projects	185	267	283
Sales volume of integrated energy (million kWh)	19,682	30,580	32,856

Note:

(1) The above table reflects the operating data of the entities consolidated in our financial statements, and excludes the AJVs' operating data that was reflected in ENN Energy's public filings during the Track Record Period. ENN Energy included those AJVs' operating data in its public filings because the relevant integrated energy business of those AJVs were operated by ENN Energy during the corresponding reporting periods. Therefore, excluding such AJV's operating data may result in its operating data being incomplete. If combining the AJVs' operating data, the key operating data of our integrated energy business during the Track Record Period were as follows: (i) the accumulated number of integrated energy projects were 210, 296 and 356, respectively, and (ii) the sales volume of integrated energy were 22,239 million kWh, 34,700 million kWh and 41,569 million kWh, respectively.

Project-Based Integrated Energy Business

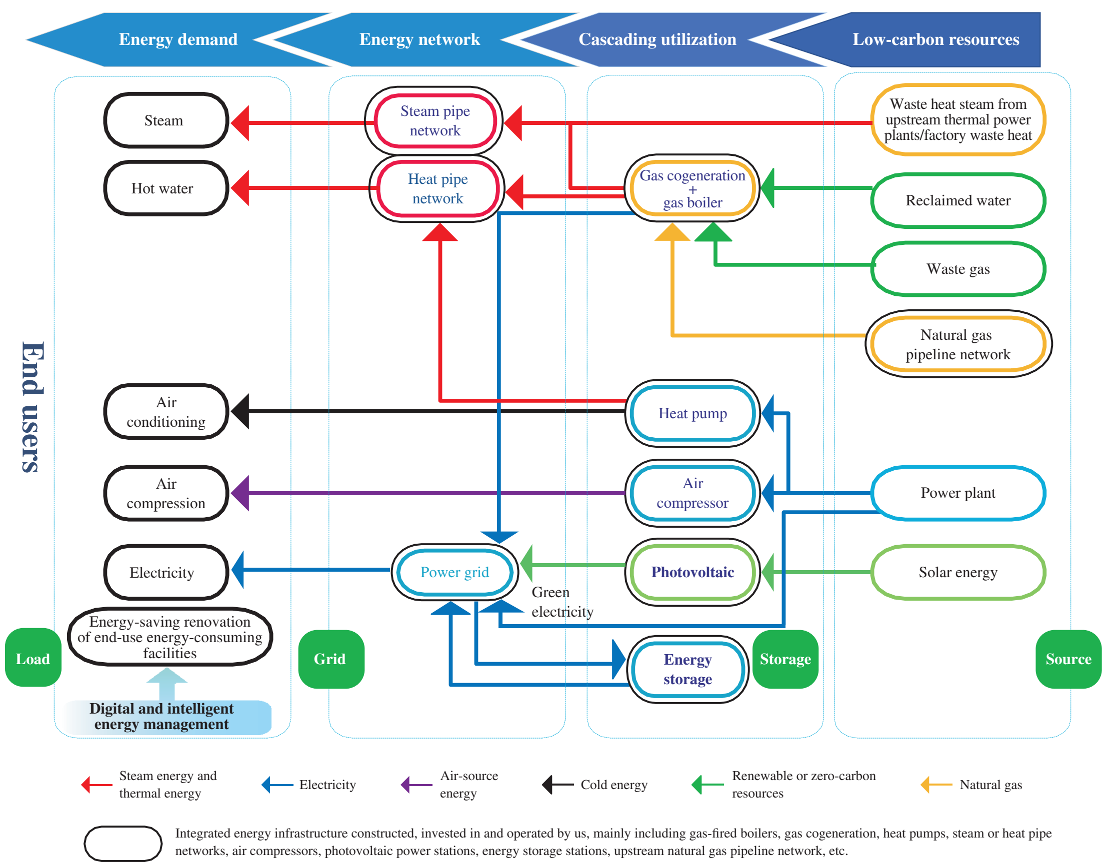
The natural gas industry in China is undergoing a transformative shift, with downstream markets transitioning from a "scale expansion" phase, previously driven by residential connection growth, to a "precision operation" stage characterized by more stringent cost control, and more efficient management of upstream gas resources, midstream infrastructure operations and downstream gas sales. To adapt to such evolution, we shifted from a supply-centric mindset to demand-centric mindset to better understand the actual consumption patterns of our clients, improve our efficiency and cost control capabilities, and further design and provide customized energy solutions that satisfy our clients' needs accordingly. Against the backdrop, we have strategically transitioned from a traditional natural gas provider into a comprehensive integrated energy service provider, in alignment with China's broader energy transition goals and rising industrial demand for diversified, efficient, and sustainable energy solutions. We provide project-based, customized integrated energy solutions to our clients seeking energy-related services and other one-stop solutions. These solutions are implemented and managed to reduce operational costs for clients while ensuring greener and low-carbon practices. Our integrated energy business spans diverse sectors, the clients of which primarily include industrial parks, manufacturing plants and commercial buildings. We provide end-to-end project development and operational support to our clients to achieve sustainable development goals.

We adopt a project-based business model and provide customized integrated energy solutions to the clients. As such, the terms and cooperation models under our agreements with different clients may vary depending on the different characteristics of relevant projects. In most cases, we act as a one-stop integrated energy solutions provider, offering services that span solution design, implementation and operation. These comprehensive services are designed to ensure the delivery of green, economical, safe and reliable energy to our clients. Representative projects under such model primarily include (i) the investment and construction of energy infrastructure, such as photovoltaic installations, energy storage power stations, and steam supply facilities; (ii) the upgrade and optimization of clients' existing energy systems, such as heating and cooling systems; and (iii) the replacement of clients' existing equipment or facilities (such as motors and water pumps) with more energy-efficient ones. In addition, based on our clients' specific demands for energies such as electricity, steam or thermal energy, we supply relevant energies to clients via two main approaches: (i) we generate and deliver the corresponding form of energy through the energy infrastructure systems, thereby deriving profits from the margin between production costs and sale prices; and (ii) we procure energies from upstream resource providers, convert such energies into the specifications as required by our clients, and deliver the converted energy to such clients, thereby earning profits from such energy conversion process. Moreover, we also adopt shared-benefit models with certain clients, under which we share a portion of the energy cost savings generated through the implementation of our integrated energy solutions over a certain period. Such arrangement allows our clients to benefit from enhanced energy systems without significant upfront costs. We also provide ongoing operation and maintenance services for our clients' energy infrastructure and charge relevant service fees, such as regular operations, such as routine maintenance, spare parts supply, and other supporting services, for which we charge service fees.

Representative Projects

Our integrated energy projects are designed at the top level through integrated energy planning. Starting from customer needs and focusing on the development and utilization of the entire energy value chain, we build an integrated energy system that is tailored to local conditions, prioritizes clean energy, and combines multiple energy sources to provide integrated solutions for load, source, network, and carbon storage. Based on customer conditions, we implement these solutions in stages to fully unleash the value of resources, facilities, and transactions, and achieve self-reliance, coordination, and overall balance in energy structure, utilization methods, and supply models. This drives the optimization and upgrading of regional energy systems, holding significant strategic importance for the nation in accelerating the energy consumption revolution, enhancing energy utilization efficiency, and promoting environmental sustainability.

The following chart shows a full-scenario diagram of our integrated energy business:



The following are representative projects of our integrated energy business during the Track Record Period:

Integrated Energy Project for an Industrial Park in Hangzhou, Zhejiang Province

The industrial park is located in Hangzhou, Zhejiang province, which primarily focuses on industries such as equipment manufacturing, silk and apparel, textile printing and dyeing, and pharmaceuticals and healthcare. Previously, the park mainly relied on coal-fired combined heat and power for energy supply. In 2017, leveraging the government's initiative to replace coal with clean energy, we took natural gas substitution as the entry point to cooperate with the park and implement the local government's long-term thermal energy plan. By 2018, we had achieved the supply of energy to our clients in this industrial park. Since then, we have successively introduced various businesses, including integrated energy stations, distributed photovoltaics, energy storage, virtual power plants, wastewater recycling, organic waste gas treatment, air compressors, waste heat utilization, and the intelligent operation platform for the integrated energy network, continuously delivering comprehensive solutions to our clients. By replacing coal fuel with natural gas for heating, we have been providing steam services to over 100 enterprises. Based on customer needs and resource characteristics, we have continued to offer customers safe, economical, green, convenient, and intelligent multi-dimensional energy services. As of December 31, 2024, we have constructed three integrated energy stations in the park featuring gas-fired steam boiler systems, established long-distance steam pipelines, and taken over the management of third-party steam boilers. Additionally, we have installed distributed photovoltaics for customers to provide green electricity. In response to customer requirements, we have also constructed energy storage power stations to enable peak-valley arbitrage.

The table below outlines our major business activities and key operational focuses within this park:

Service Type	Key Customers	Main Businesses	Business Highlights
Steam supply . . .	Various industrial and commercial enterprises, such as textile, pharmaceutical, chemical, hotel, industrial manufacturing parks, small and medium-sized industrial parks, etc.	Construct gas-fired steam boilers and expand the thermal network coverage within the industrial park to provide integrated steam energy supply for enterprises in the park.	Provide steam-based clean energy to enterprises in the park to meet green, environmentally friendly, and sustainable development needs, promote the overall adjustment of the park's energy structure, and upgrade the clean energy system

Service Type	Key Customers	Main Businesses	Business Highlights
Integrated energy microgrid	Small and micro industrial parks, such as textile parks and materials parks	We continuously explore integrated energy opportunities and have developed clients in the four micro-industrial parks within the industrial park, with primary services including: • investment and operation & maintenance of power distribution facilities, virtual power plant services, and energy storage stations • distributed photovoltaic power generation	Develop smart energy infrastructure that integrates gas, heat, and electricity to provide unified energy supply for corporate clients in the small and micro industrial parks, helping enterprises reduce initial construction costs, achieve energy conservation and emission reduction, and promote the low-carbon construction and intelligent development of small and micro enterprises
Cost reduction and carbon reduction services	Heat users	We pre-treat the volatile organic compounds (VOC) waste gases generated by clients during their daily production process at the client site and use them as auxiliary fuel by integrating them into gas boilers for processing, thereby achieving eco-friendly and low-carbon production	We receive government attention and support for energy conservation and emission reduction projects such as waste gas recycling. We assist customers in waste gas treatment while obtaining processing revenue and reducing boiler-specific fuel consumption, achieving win-win cooperation among parties. Among such efforts, one of our waste gas treatment projects provided for a pharmaceutical factory was recognized as "Linping District Ecological Environment Access and Waste Gas Collaborative Treatment Pilot Project, Zhejiang Province Second Batch of Pilot Model Projects for Pollution and Carbon Reduction, and Linping District Green Low-Carbon Demonstration Application Scenario" in 2023

Service Type	Key Customers	Main Businesses	Business Highlights
	Industrial enterprises, such as manufacturing and textile	Reclaimed water reuse: Construct a water supply pipeline to transport the reclaimed water produced by steam boilers to relevant industrial customers with water demand.	Respond to the call for a water-saving society and help industrial enterprises reduce water costs while lowering their sewage treatment expenses, thereby achieving cost-efficiency and mutual benefits for both parties
	Heat users	Proactively negotiate with multiple parties to introduce waste heat and low-cost steam, and construct corresponding steam pipelines to supply heat to surrounding customers	Introduce low-cost heat sources, expand energy supply capacity, extend services to surrounding areas of the park, and acquire new customers
	Low-carbon buildings, such as hotel buildings	Adopt electric refrigeration as the cooling source of the system, utilize waste heat recovery heat pumps to provide low-cost cooling source, employ air-source heat pumps as the heating source, and implement digital upgrades to achieve energy-saving technological transformations in heat pump systems	Deeply explore customer pain points, develop upgraded low-carbon buildings that reduce energy consumption for clients, and achieve refined energy management practices

Service Type	Key Customers	Main Businesses	Business Highlights
	Industrial park customers, such as pharmaceutical companies	Photovoltaic power and air compression system: • We provide photovoltaic power generation equipment to customers and supply them with green electricity produced by solar energy. • Through the self-construction of air compressors and optimization of the air compression system, we can convert surplus green energy generated from the photovoltaic power stations (which cannot be fully integrated into the grid) into compressed air, thereby providing customers with compressed air	The synergy between photovoltaic power and air compression systems allows the conversion of excess photovoltaic power into compressed air for supply to downstream customers. This approach enhances overall energy utilization efficiency, reduces GHG, and supports the achievement of low-carbon goals
	Self-operated integrated energy stations	Upgrade the existing softened water system to a demineralized water system, significantly reducing salt content in steam, lowering boiler blowdown rate, and decreasing boiler-specific fuel consumption by approximately 4m^3/t Renovate and optimize the steam boiler's tail flue gas system for waste heat recovery, with the current average exhaust gas temperature reduced to approximately 47°C and a 1.5 m^3/t reduction in comprehensive unit consumption, contributing to annual natural gas savings of around 600,000 m^3	Boost the overall operational efficiency of the boiler, reducing cost while improving benefits

Integrated Energy Project for an Industrial Park in Xuancheng, Anhui Province

The industrial park is located in Xuancheng City, Anhui province, as a national-level park with industries such as new energy materials, high-end equipment manufacturing, food and pharmaceuticals, and automotive parts as the major sectors. In 2020, we won the bid for the incremental distribution network project. Through the integration of the incremental distribution network, photovoltaic energy storage, heating supply (introducing low-carbon heat sources from waste-to-energy plants and gas boilers for peak shaving), and a digital intelligence platform, we have formed an intelligent energy network integrated with electricity, photovoltaic energy storage, and heating for multi-energy complementarity and supply-demand coordination. The project was planned holistically and implemented in phases to gradually build a smart and low-carbon industrial park.

In 2022, Phase I of the incremental distribution network officially commenced operation, with a 50-year operation period. We operated the project primarily through the incremental distribution network and pipeline heating system, reducing electricity supply costs through the use of photovoltaic and energy storage systems. As of December 31, 2024, we have supplied electricity and steam to over 60 enterprises and provides operation and maintenance services to more than 10 enterprises within the industrial park. The industrial park has built and put into operation the power distribution facilities such as a 110kV substation, 110kV distribution lines, 35kV distribution lines, and 10kV distribution lines, alongside distributed photovoltaic power stations and energy storage facilities. Utilizing energy storage facilities for "peak shaving and valley filling" (削峰填谷), we store electricity during low-price periods in the energy storage facilities and supply it to clients during peak price periods, thereby realizing peak-valley arbitrage. Furthermore, we have constructed steam pipelines to introduce waste heat from upstream waste-to-energy plants and converted such heat to steam via our gas boilers to meet the steam demand of the downstream clients. We also provide energy-saving and maintenance services to clients within the industrial park and expand power facility operation and maintenance services by leveraging the expertise of our distribution network operation and maintenance personnel. Moreover, we have deployed a digital intelligence scheduling platform, enabling centralized monitoring of our own energy supply and customers' energy consumption. This allows for rapid alarm, positioning and intelligent inspection, significantly improving operational efficiency and intelligent scheduling, while ensuring safe operations. At the same time, we are actively applying for the source-grid-load-storage pilot program. By leveraging the industrial park's electricity load and existing distribution lines of the incremental distribution network, we aim to transmit green electricity within the park, supported by energy storage facilities for "peak shaving and valley filling." This will further reduce electricity costs for enterprises within the park, provide more green and low-carbon energy, and offer attractive policies for the park's investment promotion. By providing the above services to the industrial park, we ensure secure, economical, and low-carbon energy support for enterprises and elevate their energy digitalization and intelligentization capabilities, contributing to the park's green and low-carbon energy transformation.

Integrated Energy Project for an Industrial Park in Dongguan, Guangdong Province

The industrial park is located in Dongguan, Guangdong province, the largest environmental-protection professional base in China specialized in electroplating and printing/dyeing industries. As one of the seven government-planned environmental protection professional bases in Dongguan, it plays a vital role in Dongguan's industrial transformation and upgrading. Focusing on electroplating and printing/dyeing industries, the park implements centralized management of pollution treatment, energy supply, property management, and external relations through part enterprises. We initiated our provision of gas-distributed energy solutions in 2016 and completed two construction phases of gas cogeneration facility by 2019, which have been put into operation to supply electricity and steam for both the park and enterprises. Additionally, we have built distributed photovoltaic power stations to provide green electricity to end users while achieving power generation revenue. As of December 31, 2024, we have established comprehensive energy infrastructure, introduced various low-cost heat sources to the park, and expanded diversified energy supply and energy efficiency services, including gas supply, gas-based cogeneration of heat and electricity, steam pipeline networks, photovoltaics, air compressors, energy storage, electricity services, and smart digital platforms. Through the combination of these diversified green and low-carbon energy solutions, such as photovoltaics and energy storage facilities, we help the park and relevant enterprises further reduce their energy costs. Meanwhile, our digital and intelligent platform enables real-time operational monitoring, equipment anomaly alerts, operational strategy optimization, and can push notification of operation and maintenance work orders, all of which improve the energy efficiency and management convenience. This project not only provides complete energy infrastructure to enhance the park's investment attractiveness, but also supplies green energy to enterprises, reduce carbon emissions and generate substantial social benefits.

Integrated Energy Project for an Industrial Park in Fuyang, Anhui Province

The industrial park is located in Jieshou City, Fuyang, Anhui province, as a provincial-level development zone, as well as one of the second batch of circular economy pilot parks (循環經濟試點園區) approved by the NDRC and the Ministry of Environmental Protection. Currently, the industrial park specializes in the recycled lead smelting, lead-acid batteries, new energy batteries, and related supporting industries. This project commenced operations in 2020 and we had invested in and built an integrated energy system at the industrial park, which includes an integrated energy station and thermal pipeline network and facilities. As upstream lead-acid battery smelting enterprises within the industrial park generate high-temperature flue gases during the lead smelting process, we have utilized steam pipeline network to effectively capture and utilize the residual energy from such enterprises. We have also installed gas boilers for peak shaving. Meanwhile, we supply steam to downstream enterprises engaged in the production and manufacturing of lead-acid battery, lithium battery and raw materials of lithium battery, thereby reducing energy costs for these enterprises. In this project, we have extensively applied digital intelligence systems. For example, the supervisory control and data acquisition (SCADA) system allows centralized control of boiler and water treatment equipment within the integrated energy station, while monitoring upstream and downstream flow, pressure, and temperature in real-time. In addition, the gas pipeline network within the industrial park is equipped with a GIS system and an IoT energy management platform, enabling pipeline inspection, maintenance, and real-time data monitoring of industrial users. By effectively integrating the SCADA system of the integrated energy station with the IoT energy management system of the gas network, we achieved the integration of the thermal and gas networks in the integrated energy project. In terms of smart operation and scheduling for the industrial park, we keep track of the energy consumption loads of the midstream and downstream industries to optimize boiler control, enabling automatic start-stop and adjustment of boilers. Through digital analysis, we develop the optimal matching method for peak-shaving and supplementary boilers based on different scenarios. In addition, the boiler operation has been transitioned from manual offline operation to digital intelligence-driven operation, further achieving reduced staffing and lowering labor costs, enhancing energy security, and providing enterprises with secure, economical, and low-carbon energy services.

Value-added Business

Overview

In recent years, the Chinese government vigorously promotes the implementation of policies related to consumer goods trade-in programs and the renovation of old communities, aiming at stimulating the demand for home renovation and furnishings and household appliances upgrade. Leveraging our extensive customer and service networks, which include a solid customer base of 31.4 million residential customers and 270,000 C&I customers sites, we have broadened our focus beyond the sale of natural gas and progressively developed our value-added business. Guided by the customer-centric approach, we deliver a variety of strategically structured products and solutions for modern households, including (i) essential service and products, (ii) smart IoT products, and (iii) quality life products, each of which addresses differentiated and aspirational customer needs. In addition, we launched our digital intelligent platform, e-City-e-Home, in 2017, which provides an integrated platform for our value-added business operations, enabling customers to procure a comprehensive range of products and services through a centralized digital interface. Our retail customers can also purchase gas, pay their bills and manage their gas accounts by registering as a user on this APP. See "— Our Digital Intelligence Capabilities — E-City-E-Home: Integrated Digital-Intelligence Customer Service Platform" for more details.

We procure products and services from third-party suppliers based on our customers' needs. In addition, we launched our self-owned brand, Gratle, in 2014, and have been selling and marketing such Gratle-branded products since then. In 2024, we achieved a comprehensive customer penetration rate of 23.9% for our value-added business. The unit selling price of our value-added products and services varied across different types of such products and services. During the Track Record Period, the revenue generated from the value-added business was RMB3.5 billion, RMB4.0 billion, and RMB4.8 billion, accounting for 2.4%, 2.8% and 3.5% of our total revenue during the same periods, respectively.

Value-added Products and Services

The major products and services for our value-added business include the following:

- ***Essential service and products***, primarily including (i) security products (such as electromagnetic solenoid shut-off valves, gas leak alerts and fire-fighting equipment), which are usually priced at tens of RMB; (ii) home appliances (such as range hoods, water heaters, stoves, refrigerators and dishwashers), which normally have broader price ranges from basic offering at hundreds of RMB to high-end offerings at thousands of RMB; and (iii) concealed installation services, insurance services, and other essential services (such as repairment, cleaning and aesthetic interior finishing). The pricing for our essential services varies depending on our customers' differentiated demands and the complexity of relevant service contents. During the Track Record Period, the revenue of our value-added business was mostly generated from the sale of essential products and services.

- ***Smart IoT products***, such as AI safety valves, fire-leaving detection system, safety guards, LoRa active meter, intelligent fire alarms, smart door locks, and smart video surveillance. These smart IoT products deploy IoT-enabled innovations to mitigate risks and enhance protection through advanced connectivity. For instance, our AI safety valves will be automatically shut off when it detects gas leakage, which could improve the gas safety usage. Moreover, such IoT-enabled shut-off valves connect to our internal control and dispatching center, which will report any safety incidents to us and our customers, simultaneously. See "— Quality Control and Safety Maintenance" for more details. The prices of our smart IoT products usually range from hundreds of RMB to thousands of RMB.

- ***Quality life products***, we focused on the demand for quality family living by utilizing intelligent tools and collaborating with external ecosystems to expand models such as kitchen renovation, home upgrades and modifications, and health services. Concurrently, we leveraged the standardized products and services developed through our value-added business to achieve expansion beyond our current markets and continuously meet the needs of residential customers. Major quality life products include kitchen renovation solutions, whole-house water purification products and systems, home heating system, community intelligent solutions, and energy-efficient lighting systems.

Engineering Construction and Installation

Overview

Our engineering construction and installation business mainly comprises (i) engineering construction, and (ii) construction and installation. The engineering construction business primarily involves the construction of natural gas related infrastructure, public and municipal utility, new energy and intelligent digitalization facilities. In addition, we provide construction and installation services to residential and C&I customers, which primarily include gas pipeline network installation, equipment setup, indoor piping and facility installation, as well as after-sales maintenance and support. During the Track Record Period, our revenue generated from the engineering construction and installation business was RMB8.4 billion, RMB8.5 billion, and RMB5.9 billion, accounting for 5.6%, 6.0% and 4.4% of our total revenue during the same periods, respectively.

Engineering Construction

We adopt a project-based model for our engineering construction business and normally act as the general contractor to provide services such as technology, consulting, planning and design, procurement, equipment manufacturing and engineering construction for our engineering construction projects. Our customers span diversified energy sectors, such as natural gas, wind power, electricity, hydrogen energy, and clean coal utilization. We acquire these engineering construction projects primarily through competitive bidding processes. Our engineering construction business primarily covers engineering construction for natural gas related infrastructure, public and municipal utility, new energy and intelligent digitalization construction in mainland China. Moreover, we have established partnerships with companies across several overseas countries. For instance, we completed a construction project for an LNG plant in Indonesia in November 2023. In addition, we won the bid for an LNG receiving terminal construction project in northern Vietnam in 2024, for which we expect to start construction in the second quarter of 2025. See "— Representative Projects" below for more details.

Qualifications are critical for us to conduct our engineering construction business. As of the Latest Practicable Date, we have obtained all necessary qualifications and/or certification for carrying out our engineering construction projects. See "— License, Permits and Approvals" for more details. Furthermore, we rely on our proprietary technologies to carry out engineering construction projects, such as natural gas purification and cryogenic liquefaction technologies, coal-based clean energy utilization technologies, and LNG receiving terminal related technologies. Our design and research institutes in Langfang, Shijiazhuang and Jinan, along with the two R&D centers located in Beijing and Shanghai collectively form an integrated technical network dedicated to supporting our engineering construction projects across their entire lifecycle. See "— Research and Development" for more details.

Business Model

We primarily adopt the engineering, procurement and construction (EPC) model for our engineering construction projects, whereby we are generally commissioned as a general contractor by the project owner to carry out relevant construction projects such as technology, consulting, planning and design, procurement, equipment manufacturing, skid-mounted integration, construction and trial operations, or any combination of the above, either through the contractor's own labor or by subcontracting part or all of the work.

We usually submit bids independently for the projects as a general contractor. For certain large-scale projects, we may collaborate with other companies to participate in the biddings jointly. We normally use the standard contract templates provided in the bidding documents (usually based on the Engineering Construction Project General Contracting Contract (Model Text (GF-2020-0216) formulated by MOHURD and SAMR) as a starting point, revising them as necessary based on negotiations with our clients. The work scope and duration of our engineering construction projects varied from several months to several years, depending on the scale and complexity of different projects. Projects featuring tender and/or bidding processes are generally priced under either a fixed total price model or on an actual work quantity settlement basis, with the former being more common. Prior to submitting bids for such projects, we conduct cost simulations based on the information provided in the bidding documents and the preliminary site surveys, with the aim of securing a reasonable profit margin as a prerequisite for such bidding. To formulate competitive yet realistic bids, we conduct thorough evaluations of all anticipated project costs, such as engineering costs according to project scale, specifications and work scope requirements, procurement expenses for materials and equipment, and other administrative expenses based on staffing needs and operational logistics. In addition, our pricing framework also takes into consideration the historical costs and expenses for previous similar projects, recent market pricing trends, and other variables such as site-specific conditions, geographic location, regional material/labor availability, equipment accessibility, tax implications, and potential deviations from prior comparable projects. Some agreements contain fee adjustment or risk-sharing clauses to cover increased raw material costs. In addition, we typically adopt installment payments schedule based on project milestones. Moreover, retention fee arrangements are normally required by our clients, under which our clients withhold a certain amount of the contract value as retention fee upon the completion of relevant projects and will return to us such fee upon expiration of the warranty period in the absence of warranty claims.

The major stages of our engineering construction projects include project initiation and contract signing, project design and consultation, equipment procurement, project sub-contracting, construction and project management, trial operation, final acceptance and after-sale services. We normally pass the completed projects to our clients after obtaining the preliminary certificate of acceptance upon completion of a 72-hour trial period of operation. Once the engineering construction projects are completed, we normally engage independent third-party quality assurance institutions to conduct quality inspection. Such quality assurance institutions are required to be independent and accredited with relevant quality inspection certifications. In addition, financial audit may be required for certain projects with governmental subsidies or funded by treasury bonds. Moreover, our engineering construction agreements usually provide a warranty period, ranging from 12 months to 24 months commencing from the date of acceptance confirmation regarding the completion of relevant projects. During the warranty period, we will be liable for our engineering quality pursuant to relevant terms in such agreements. We also procure services from subcontractors to undertake specialized and/or non-core work when necessary, which may vary on a project-by-project basis. We have implemented strict standards for selecting subcontractors, maintained and constantly updated qualified subcontractor lists, and built long-term cooperative relationships with them. See "— Suppliers — Subcontracting" for details.

Representative Projects

The following table sets forth the representative projects of our engineering construction business during the Track Record Period.

Representative project's name	Business model	Project background	Project owner's background
Zhoushan LNG Receiving Terminal Phase III Project. .	EPC	• Xindi Engineering is commissioned as a general contractor to construct the Phase III of our Zhoushan LNG Receiving Terminal, which include four LNG storage tanks with a total designed storage capacity of 528 million m^3 (in gaseous state). • Construction timeframe: November 2022 to the second half of 2025 (expected) • Highlights: This project has established a new paradigm in smart management of construction project through full-process digital intelligent solutions. One of the major highlights is the automated pneumatic lifting of the steel-dome structures of the four LNG storage tanks (each with a 220,000 m^3 storage capacity in liquid state), which is one of the most difficult and complex procedures during the construction of LNG storage tanks.	ENN Zhoushan

Representative project's name	Business model	Project background	Project owner's background
Shanxi COG and CCUS-based LNG and Hydrogen Co-production Project .	EPC	• We are commissioned as a general contractor to construct LNG production facilities and ancillary utility infrastructure. • Construction timeframe: August 2022 to July 2024 • Highlights: The LNG production facilities constructed under this project successfully produced LNG within a 16.5-month period from August 2022 to December 2023, creating a record-breaking of a 15-day LNG production cycle by using COG, which further demonstrates our enhanced technical maturity in coal-derived LNG processes and EPC execution capabilities. In addition, the large-scale application of the CCUS technology is the first time for enterprise to adopt such advanced technology in Shanxi, which is well received and recognized.	A privately-owned enterprise primarily engaging in the production and sales of coal-related products, and generation and transmission of electricity.

Representative project's name	Business model	Project background	Project owner's background
Jiangsu Binhai LNG Receiving Terminal Phase I Expansion Construction Project	Construction	• We are commissioned as a general contractor to construct a comprehensive package of critical infrastructure construction, such as the foundation engineering, pipeline construction and installation, regasification and pressure regulation stations, BOG management and recovery system, and water drainage infrastructure. • Construction timeframe: May 2022 to June 2024 • Highlights: This project achieved exceptional safety and quality performance metrics: – Accumulated 1.1 million incident-free man-hours – Over 98.5% first-pass qualification rate for pipeline welding – 100% compliance in equipment commissioning, quality remediation, and engineering acceptance – Single-attempt success in mechanical completion review and governmental inspections	A state-owned enterprise primarily engaging in the investment and construction of LNG receiving terminal and production and sales of natural gas.
Green Electricity and Hydrogen Projection Project .	EPC	• We are commissioned as a general contractor to construct one wind and solar power station, one hydrogen production station, and one hydrogen refueling station for our client. • Construction timeframe: July 2023 to August 2024	A privately-owned enterprise listed on the SSE and primarily engaging in the production and sales of coal, oil and natural gas resources.

Representative project's name	Business model	Project background	Project owner's background
		• Highlights: As the inaugural phase of the client's integrated "source-grid-load-storage" demonstration initiative coupled with green hydrogen production, this provincial-level project is one of the major scientific program in Xinjiang, serving as a strategic development in our engineering construction business that drives energy transition and facilitates the achievement of carbon peak/ neutrality targets.	
Indonesia LNG Plant Phase I Project. . .	EPCM	• We are commissioned as a general contractor to construct a skid-mounted LNG plant and provide technological configuration to an off-grid, island-mode power generation system. This project is currently under stable operation, and we are providing post-construction management and maintenance services. • Construction timeframe: January 2020 to November 2023 • Highlights: We completed the overseas EPCM delivery within original timelines despite COVID-19 restrictions. In addition, skid-mounted LNG equipment can be used in diverse applications, further reducing construction and installation costs and increasing engineering flexibility. Our configuration support to the island-mode power generation system addressed significant fluctuations in upstream gas supply and enable stable facility operation under low-load conditions.	An Indonesian company that operates a mini LNG plant in Simenggaris, North Kalimantan.

Construction and Installation

Our construction and installation business caters to both residential and C&I customers. For residential customers, our services primarily involve the planning, design, and installation of courtyard gas pipelines, equipment, and indoor piping and facilities within the building boundary lines of newly constructed residential properties and existing residences not yet connected to PNG. For C&I customers, we provide PNG-related engineering and equipment installation services. The following table sets forth the key operational data of our construction and installation business in relation to pipelines and related facilities during the Track Record Period.

	For the year ended December 31,		
	2022	**2023**	**2024**
Construction and installation			
Numbers of newly connected residential customers (*thousand*)	1,787	1,579	1,223
Gas volume of newly connected C&I customers (*thousand m^3/per day*)	16,733	14,328	12,572

Individual residential customers are required to pay the construction and installation fee in full prior to the commencement of connection work. Construction and installation fees are generally paid by the real estate developers constructing a new residential development. In respect of new residential developments, construction and installation fees are collected in advance by installments based on the percentage-of-completion of the pipeline construction work. We generally provide property developers with a credit period of 60 to 90 days after construction is completed irrespective of whether the units are sold or occupied. However, the actual supply of gas will only commence after all construction and installation fees are settled. In the event supply contracts are entered into for the connection of gas to a large number of households within a residential development, we may offer discounts on the approved fee payable, the extent of which will be subject to negotiation and agreement of the contract parties. Our customers are usually required to provide 30% of the construction and installation fee as a deposit upon signing of the supply contract, 40% to 50% of the construction and installation fee during the construction period and the remaining upon completion.

For C&I customers, the construction and installation fee is determined based on the designed capacity of the gas appliance facilities (on a per m^3 per day basis) installed at the customers' premises. If any additional appliance is installed subsequently, additional construction and installation fees will be charged to reflect the additional capacity installed. Discounts on the approved fee payable may be offered to high gas usage volume C&I customers, subject to negotiation and agreement of the contract parties. Construction and installation fees are collected in advance by installments based on the percentage-of-completion of the pipeline construction work. In general, a C&I customer is required to provide 30% of the construction and installation fee as a deposit upon signing of supply contract, 40%

to 50% of the construction and installation fee during the construction period and the remaining upon completion. In the event customers default on the payment of construction and installation fees, we will not start the supply of gas to these customers until the construction and installation fees are fully paid. For certain customers with good payment record and with whom we have maintain long-term relationships, we may supply natural gas to such customers before they pay relevant construction and installation fees. The deposits received from customers upon the signing of supply contracts would normally cover our costs.

The following table sets forth the average fees charged for the construction and installation business by customer types during the Track Record Period.

	For the year ended December 31,		
	2022	2023	2024
Construction and installation			
Residential customers (RMB/household)	2,659	2,669	2,579
C&I customers (RMB/m^3)	78	80	80

Infrastructure Operations

We generate revenues from the operations of natural gas infrastructure, which is in the midstream of the natural gas value chain, including (i) our self-owned Zhoushan LNG Receiving Terminal, and (ii) our self-owned or leased storage facilities, and (iii) our extensive transmission and transportation networks. Our Zhoushan LNG Receiving Terminal is the first LNG receiving terminal approved by the National Energy Administration to be invested in, constructed and managed independently by a privately-owned enterprise. Currently, the Zhoushan LNG Receiving Terminal has a maximum processing capacity of 7.5 million tons per year and four storage tanks with a total designed storage capacity of 384 million m^3 (in gaseous state). Once the Phase III construction of Zhoushan LNG Receiving Terminal is completed, which is expected to be in the second half of 2025, its estimated actual processing capacity is expected to exceed 10 million tons per year, and its total storage capacity is expected to reach 912 million m^3 (in gaseous state). In addition, we possess robust and sufficient storage capacity, which strategically strengthens our ability to execute a "low-season storage, peak-season sales" business model. Moreover, we maintain extensive natural gas transmission networks and a diversified fleet of transportation assets such as vessels and tanker trucks, ensuring rapid and reliable product delivery to our customers. For our operations of natural gas infrastructure, we normally charge service fees to our customers for unloading, gasification, storage, transportation and other related operations and services. During the Track Record Period, our revenue generated from infrastructure operations was RMB226.6 million, RMB206.5 million, and RMB563.4 million, accounting for 0.2%, 0.1% and 0.4% of our total revenue during the same periods, respectively. See "— Natural Gas Sales Business — Midstream Processing, Storage and Transmission" for more details.

Energy Production

During the Track Record Period, we produced and traded various energy resources such as methanol, coal and other chemical products. Our revenue generated from the energy production business (excluding intra-group transactions) was RMB5.6 billion, RMB4.0 billion and RMB4.3 billion, respectively, accounting for 3.7%, 2.9% and 3.2% of our total revenue, respectively, during the Track Record Period.

We engage in the production and sale of methanol, a basic raw material widely used in various application scenarios, such as fine chemicals, plastics, pesticides and medicines. We sell methanol as chemical raw materials to our downstream customers, such as olefins and formaldehyde terminal production enterprises and large and medium-sized chemical trading companies. We produce methanol at our self-owned production plant, which is located in Dalateqi, Inner Mongolia (the "**Daqi Methanol Plant**"). See "— Production — Methanol Production Process" for more details.

In addition, we previously produced and sold coal products through Xinneng Mining, which owns the mining right of the Wangjiata Coal Mine. In September 2023, we entered into a transfer agreement with Guangdong Panhong to transfer all of our shareholdings in Xinneng Mining, together with Xinneng Mining's mining right of the Wangjiata Coal Mine, to Guangdong Panhong. As a result, our coal production is classified as a discontinued business and our profits generated from such discontinued operation were RMB1.3 billion, RMB4.3 billion and nil, in 2022, 2023 and 2024, respectively. The Xinneng Mining Disposal is our strategic deployment to focus on our main natural gas business.

HEDGING ACTIVITIES AND RISK MANAGEMENT

Hedging Policy and Governance

Our business heavily relies on natural gas, the price of which fluctuates from time to time due to various factors. The overall objective of our hedging activities is to mitigate our exposure to the volatility of natural gas prices and the fluctuations of foreign exchange. We have established a comprehensive set of hedging policies, which govern our hedging activities and relevant risk management, and have strictly followed such policies. We do not and will not enter into derivative instruments for any speculative purposes.

We have been taking a proactive and prudent approach to develop and continuously strengthen our hedging capabilities since 2016. We have formed a specialized hedging management team, which is responsible for formulating hedging strategies and operational plan, assessing and calculating risk exposures arising from our business operations, and monitoring the risks on an ongoing basis. Currently, our hedging management team has over 30 members, with core members possessing more than ten years of industry-specific experience on average in hedging activities, risk management and investment. We have also established an overseas subsidiary in London that works closely with our domestic hedging team to ensure a 24/7 seamless workflow and improve our emergency response capabilities. Such diverse, professional expertise has enabled us to formulate and execute tailored and flexible hedging strategies, positioning us at the forefront of industry's best practices.

Moreover, we have embedded our hedging activities within an institutionally robust risk management architecture. We have adopted and implemented comprehensive hedging and risk control policies, such as operational mandates, internal control protocols, and an end-to-end risk control framework covering risks from initial identification to final resolution and continuous monitoring. As our business scale expanded, we further developed an advanced technology platform, the ETMO system, to enhance our hedging and risk management capabilities. According to Frost & Sullivan, we are the first domestic company in China's natural gas industry that independently developed such a digital intelligence system, which integrates globally advanced energy trade and risk management technologies for relevant hedging activities. See "—Our Digital Intelligence Capabilities — ETMO Risk Management System" for more details. Leveraging our industry knowledge, operational maturity, and technology-enabled capabilities, we are well equipped to conduct hedging activities and manage relevant risks.

The following table sets forth the major contents of our hedging policy.

Purpose	To standardize operational conduct and procedures for our hedging activities, strengthen internal control systems, mitigate hedging operational risks, clarify management principles and organizational responsibilities, and safeguard our assets to ensure the sound and orderly execution of hedging activities.
Principle	• All hedging activities must comply with applicable laws and regulations with necessary authorizations as required by the hedging policies. • Physical and paper transactions shall be in contrary directions with matching maturities, and the scale of paper transactions shall not exceed that of physical commodities. • Hedging activities shall be conducted exclusively under the designated accounts. Using third-party accounts is strictly prohibited.
Authorization & Approval	• Board-authorized representatives have exclusive rights to sign and execute hedging-related documentation. • Employees may execute hedging-related transactions only upon obtaining written authorization and/or approvals from the Board-authorized representative(s).

Confidentiality . . .	All the hedging-related data shall constitute confidential information, such as the hedging strategies, positions, pricing formular, liquidation thresholds, cash flow projections, hedge accounting records, internal resolutions and counterparty identities. Strict non-disclosure and confidential obligations apply to all personnel with access to hedging-related information. Unauthorized dissemination of such information is strictly prohibited.

Hedging Activities

We primarily utilize derivative instruments, including commodity derivatives and foreign currency derivatives, as strategic hedging tools to neutralize adverse financial impacts stemming from fluctuations of natural gas prices and foreign currency rate, particularly in the context of our cross-border natural gas procurement and sales business.

Commodity Hedging Activities

With respect to our commodity hedging activities, we primarily employ swaps, options, and structured derivative combinations linked to international natural gas benchmarks, such as JKM, Brent, Henry Hub and TTF, to lock in our procurement costs and profitability of natural gas business and manage risk exposures arising from mismatches between the procurement costs and sales revenue in the future. Certain of our commodity derivatives are designated as hedging instruments for hedging accounting treatment. See "Financial Information — Analysis of Selected Consolidated Statements of Financial Position — Derivative Financial Instruments" and note 24 to the Accountants' Report in Appendix I to this Document for details.

Our commodity hedging activities are all conducted as over-the-counter (OTC) trading during the Track Record Period. We enter into the commodity hedging contracts that are governed by the International Swaps and Derivatives Association master agreements (each, together with each schedule thereto and amendments thereto, an "**ISDA**"). The following is a general summary of the key terms of the ISDAs for our commodity derivatives currently in force.

- Payment and netting. Payment will be made on the due date for value on the date in the place of the account specified in the agreement or otherwise agreed by the contracting parties. Where the multiple transaction payment netting applies, the parties will pay on a net basis obligations owed by them to each other in the same currency and on the same date with respect to two or more transactions.

- Events of default primarily include (i) the failure by any of the party to make, when due, any payment under the agreement or delivery of relevant documentation or compensation required to be made after passage of a grace period of one local business day (as defined in the ISDA agreement) after notice has been given; or (ii) the failure by any of the party to comply with any agreement or obligation under the ISDA agreement after passage of a grace period of 30 days after notice.

- Cross-default. An event of default will be considered to have occurred if (i) a default of the Group, event of default of the Group or other similar condition or event under one or more agreements or instruments relating to any obligation in respect of borrowed money has occurred where the aggregate principal amount is not less than an applicable threshold amount specified in the ISDA master agreements and which has resulted in such indebtedness becoming, or becoming capable at such time of being declared, due and payable before it would otherwise have been; or (ii) a default of the Group in making one or more payments on the due date for payment in an aggregate amount, either alone or together with the amount, if any, referred to in clause (i) above, of not less than the applicable threshold amount stated in the ISDA master agreements has occurred.

- Termination events include illegality, force majeure events, various tax events, including a tax event upon merger, and a credit event upon merger, all of which are outlined in the ISDA master agreements.

We employ a dynamic commodity hedging strategy to manage oil and gas price risks, which allows us to adjust our derivative contract positions in alignment with projected risk exposures. Based on a structured risk management framework and according to the requirements of physical hedging operations, we implement differentiated hedging ratios. In setting hedging ratios, our hedging management team evaluates various factors on an ongoing basis and dynamically calculates such ratios based on multiple factors, such as the contract value, price benchmarks such as JKM, Brent, Henry Hub and TTF, and the geographic coverage of relevant contracts (e.g., whether such contract is regional, national, or international). This approach ensures that the volume of commodities underlying derivative positions closely mirrors the magnitude of relevant risk exposure. Furthermore, by leveraging real-time data analysis from our proprietary ETMO platform, we can dynamically recalibrate our hedging ratios to reflect real-time market trends while adhering to pre-defined risk tolerance thresholds. See "— Our Digital Intelligence Capabilities — ETMO Risk Management System" for more details.

To manage counterparty risk associated with our commodity derivatives, we select and monitor counterparties based on assessment of their track records, market reputation, financial strength and external credit ratings. All of our counterparties are top-tier international banks and traders, from which we secured high-quality, OTC trading credit facilities. Moreover, the credit recognition we obtained from global and domestic rating agencies also validate our robust credit, risk management and financial resilience. For instance, during the Track Record Period, our international credit ratings have been raised by S&P Global and Fitch to BBB and by Moody's to Baa3, all with a stable ratings outlook. Our domestic credit ratings also remain stable as AAA by both China Chengxin International Credit Rating and CSPI Credit Rating. According to Frost & Sullivan, our international credit ratings are the top one among all Chinese privately-owned enterprises in natural gas industry in 2024, and our domestic credit ratings are the highest among all enterprises in natural gas industry in the same period.

Foreign Exchange Hedging Activities

In addition to our commodity derivatives portfolio, we have prudently utilized a relatively small portion of financial derivatives to hedge against fluctuations of exchange rates and interest rates arising from our U.S. dollar-denominated bond payables and natural gas procurement costs. Most of our foreign currency derivatives are designated as hedging instruments for hedging accounting treatment. See "Financial Information — Analysis of Selected Consolidated Statements of Financial Position — Derivative Financial Instruments" and note 24 to the Accountants' Report in Appendix I to this Document for details. Similar to our commodity hedging activities, we adopt dynamic hedging ratios for our foreign exchange derivatives in line with our physical cost-management requirements. We also entered into ISDA contracts with our counterparties for the foreign exchange hedging activities, the key terms of which are basically consistent with the ISDA contracts for our commodity hedging activities. See "— Commodity Hedging Activities" above for more details.

OUR DIGITAL INTELLIGENCE CAPABILITIES

Digital intelligence is deeply embedded in every aspect of our operation, enhancing safety and efficiency through IoT and AI-driven solutions. We have been deploying and utilizing digital intelligence systems and applications for our entire business process. For example, we have implemented 24/7 smart monitoring and predictive maintenance along our pipelines and stations to reduce costs and improve reliability. Key initiatives include upgrading 67 stations to unmanned or minimal-manpower operation, equipping over 1,000 km of pipelines with smart alarm systems for proactive monitoring, and assessing 260,000 pressure-regulating facilities for predictive maintenance. Additionally, we leverage digital intelligence in natural gas transmission and transportation, such as pipeline load forecasting and peak shaving optimization, as well as smart leak detection systems.

Beyond these operational applications, digital intelligence serves as a cornerstone of our innovation strategy. We also have three major digital platforms and enterprise-level AI systems to lay the ground work for continuous breakthrough in digital intelligence.

Natural Gas Professional Competence Recognition Platform

The Great Gas Net is our self-developed intelligent platform launched in September 2015, which is designed to be an industry-wide professional competence recognition platform for natural gas. It aims to tackle the systemic capability asymmetry exists in the natural gas industry by providing industry-based, best practice of intelligent capabilities for the market players, in order to promote efficiency and quality of natural gas related transactions, improve the professionalism and competency of all relevant market players, and support the collaborative and sustainable development of China's natural gas industry. Against such backdrop, we took the initiative within our Group to promote the widespread application of the Great Gas Net, which integrates intelligent applications and functionalities provided by us and is undergoing continuous technological iteration to strengthen our overall intelligent capabilities.

From a demand-side perspective, the Great Gas Net leverages advanced data analytics and AI-driven models to collect downstream industry data such as natural gas sales and consumption information, analyze and estimate the gas usage demands, and match the downstream demand with upstream gas resources to facilitate relevant transactions. Such demand-centric model enables us to access our customers' demands on a data-driven basis and helps us to respond to market demands quickly and precisely. On the supply side, the Great Gas Net provides various functions, such as international shipping route optimization, dynamic resource management, and strategic allocation of natural gas resources under both the SPAs and spot procurement. These functions achieve dual objectives of effective cost management and value maximization across the upstream supply chain. On the infrastructure side, the Great Gas Net supports intelligent operations of our Zhoushan LNG Receiving Terminal and optimizes the schedules of capacity swaps and delivery window swaps, all of which contribute to improving the utilization rate of relevant infrastructure and reducing operational costs. Furthermore, leveraging large language models, we are continuously developing and advancing the Great Gas Net's digital intelligence capabilities in areas such as analytical modeling algorithms, knowledge aggregation mechanisms, and data visualization frameworks. Such functional enhancements of the Great Gas Net are strategically designed to cultivate and improve our digital intelligence capabilities, forming a robust technological foundation for its scalability in the future. We aim to expand the adoption and application of the Great Gas Net among all natural gas market players, as a part of our commitment to improving the professional capability of relevant natural gas practitioners, as well as supporting the collaborative and sustainable development of China's natural gas industry.

E-City-E-Home: Integrated Digital-Intelligence Customer Service Platform

We launched our digital intelligent platform, e-City-e-Home, in 2017, which is an integrated digital intelligent platform for customer services accessible through a dedicated website, a mobile application, and a WeChat Mini Program. Since its launch, the platform has been designated as a centralized service hub for our natural gas retail customers, offering a suite of essential utilities management and value-added products and services. Our retail customers can register on the platform by entering their gas meter number and can schedule, monitor and pay their gas utility bills directly on the platform. Beyond traditional billing services, the platform offers an e-commerce marketplace for our value-added products and services, where the users can explore and purchase security products, home appliances and other services such as insurance, repairment and installation. The comprehensive integration of diverse products and services optimized the resource allocation across our different business segments, improved the transactional efficiency and enhanced our customers' engagement and stickiness on this centralized digital platform. During the Track Record Period, the monthly active users on our e-City-e-Home platform reached 5.8 million, 7.5 million and 9.9 million, respectively. The sustained growth demonstrates the market penetration and user retention capabilities of our e-City-e-Home platform.

ETMO Risk Management System

Leveraging our in-house expertise, we developed and established an ETMO system to support our hedging activities as our business scale expands. The ETMO system is a core risk management platform to oversee and manage our hedging activities, which comprises both a mobile APP and a web-based interface tailored to our evolving operational needs.

Our ETMO system plays a vital role in our broader strategy of digital transformation and financial risk management, aligning our energy-related business with operational needs and market realities. This system integrates real-time market data, trading strategies, risk control models, and financial instruments to provide a comprehensive framework for hedging activities and risk management. Specifically, the ETMO system enables us to conduct dynamic monitoring and analysis of market price fluctuations, helping us formulate and adjust hedging strategies for our natural gas procurement and sales contracts. In addition, it also features end-to-end position tracking, value-at-risk (VaR) assessments, scenario simulations, and compliance monitoring, ensuring our hedging activities remain within its risk appetite and regulatory frameworks. By integrating trading, risk control, and financial settlement functions, the ETMO system enhances our ability to make data-driven decisions, manage risk exposure, and stabilize operational cash flows.

The core functionalities of our ETMO system include:

- Central data hub, which consolidates our financial and operational data, as well as market data into an integrated system, enabling real-time calculations of cash flow, risk exposures and profit/loss metrics. This function can eliminate manual data reconciliation, reduce human error and accelerate workflows in execution process of our hedging activities.

- Stress testing module, which simulates potential market scenarios, driven by fluctuations in foreign exchange rates and commodity prices, to quantify the worst-case risk exposures. The stress testing and scenario simulation enable us to preemptively identify vulnerabilities and adjust our hedging ratios accordingly.

- Credit risk tracking and monitoring, which quantifies counterparty risks by analyzing their financial metrics and market reputation data, enabling proactive adjustments to relevant credit limits. For instance, our ETMO system continuously tracks and monitors our counterparties' financial performance and their credit records, and will flag the counterparties' deteriorating creditworthiness to us, especially ahead of a contract renewal.

- Information sharing center, which aggregates live market data, runs predictive analytics, and collects premium industry reports from top-tier institutions, is accessible to all our hedging team members. This ensures our hedging team's access to up-to-date industry insights, such as currency movements and commodity price projections, as well as macroeconomic environments, such as regulation trends and geopolitical risks.

- 24/7 global emergency response mechanism, which monitors 24/7 real-time global markets trends, identify emerging risks (e.g., geopolitical risks), and initiate pre-programmed contingency protocols.

In December 2023, our ETMO system was awarded second prize in the 30th National Enterprise Management Modernization Innovation Achievement competition. This national-level recognition highlights our capabilities in developing digital and intelligent risk management solutions, particularly in natural gas hedging operations, and also underscores our commitment to technological innovation and best practices in enterprise risk management.

CUSTOMERS

Our Top Five Customers

For the years ended December 31, 2022, 2023 and 2024, the sales to our largest customer in each year during the Track Record Period accounted for approximately 5.1%, 1.8%, and 1.3% of our total revenue, respectively. For the same periods, sales to our five largest customers in each year during the Track Record Period in aggregate accounted for approximately 10.7%, 5.9%, and 4.3% of our total revenue, respectively. During the Track Record Period and as of the Latest Practicable Date, none of the Directors or the respective close associates or any Shareholders (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest customers.

The following tables set forth certain information with respect to our five largest customers during the Track Record Period.

For the year ended December 31, 2022

Rank	Customer	Relationship with us	Business type	Transaction amount	% of total revenue	Settlement term	Customer background
				(RMB in thousand)	*(%)*		
1 . . .	Customer A	Independent Third Party	Sales of natural gas	7,646,069	5.1	Credit term within 7-10 business days	An international company primarily engaging in the sales and trading of oil, petroleum, and LNG.
2 . . .	Customer B	Independent Third Party	Sales of natural gas	3,620,998	2.4	Credit term within 7-10 business days	An international company primarily engaging in the business of LNG, power, coal and freight.
3 . . .	Customer C	Independent Third Party	Sales of natural gas	1,589,062	1.1	Credit term within 7-10 business days	An international company primarily engaging in the wholesale distribution of petroleum and petroleum products.
4 . . .	Customer D	Independent Third Party	Sales of natural gas	1,574,753	1.1	Credit term within 7-10 business days	A state-owned enterprise listed in SEHK and SSE primarily engaging in oil and natural gas exploration, sales, storage and transportation.
5 . . .	Customer E	Independent Third Party	Sales of natural gas	1,552,800	1.0	Credit term within 7-10 business days	A South Korean company listed in the Korean Exchange primarily engaging in the natural gas related business.
	Total			**15,983,682**	**10.7**		

For the year ended December 31, 2023

Rank	Customer	Relationship with us	Business type	Transaction amount	% of total revenue	Settlement term	Customer background
				(RMB in thousand)	*(%)*		
1 . . .	Customer F	Independent Third Party	Sales of natural gas	2,492,365	1.8	Prepayment	A privately-owned company primarily engaging in the production and sales of coal, oil and natural gas resources.
2 . . .	Customer C	Independent Third Party	Sales of natural gas	2,341,965	1.7	Credit term within 7-10 business days	An international company primarily engaging in the wholesale distribution of petroleum and petroleum products.
3 . . .	Customer G	Independent Third Party	Sales of natural gas	1,239,959	0.9	Prepayment	A state-owned enterprise primarily engaging in sales of natural gas and construction of natural gas related infrastructure.
4 . . .	Customer A	Independent Third Party	Sales of natural gas	1,174,262	0.8	Credit term within 7-10 business days	An international company primarily engaging in the sales and trading of oil, petroleum, and LNG.
5 . .	Customer H	Independent Third Party	Sales of natural gas	978,120	0.7	Credit term within 7-10 business days	An international company primarily engaging in the wholesale and trading of fuels, oils, natural gas and other energies.
	Total			**8,226,671**	**5.9**		

For the year ended December 31, 2024

Rank	Customer	Relationship with us	Business type	Transaction amount	% of total revenue	Settlement term	Customer background
				(RMB in thousand)	*(%)*		
1 . . .	Customer A	Independent Third Party	Sales of natural gas	1,785,601	1.3	Credit term within 7-10 business days	An international company primarily engaging in the sales and trading of oil, petroleum, and LNG.
2 . . .	Customer I	Independent Third Party	Sales of natural gas	1,441,534	1.1	Credit term within 7-10 business days	A state-owned company primarily engaging in the sales of refined oil and related services.
3 . . .	Customer J	Independent Third Party	Sales of natural gas	1,137,650	0.8	Prepayment	A privately-owned enterprise primarily engaging in the sales of petroleum and natural gas.
4 . . .	Customer K	Independent Third Party	Sales of natural gas	932,047	0.7	Credit term within 7-10 business days	An international company primarily engaging in sales of petroleum and natural gas.
5 . . .	Customer C	Independent Third Party	Sales of natural gas	570,100	0.4	Credit term within 7-10 business days	An international company primarily engaging in the wholesale distribution of petroleum and petroleum products.
	Total			**5,866,932**	**4.3**		

Sales and Marketing

We believe that consistently supplying reliable natural gas and delivering high-quality products and services that meet and exceed our customers' expectations is the most efficient sales and marketing approach for us. Guided by the customer-centric principle, we are committed to continuously satisfying our customers' demands across our six business segments to strengthen our market position, expand our customer base and maintain long-term partnerships with our customers. We promote our products primarily through our sales and marketing team. As of December 31, 2024, we have 2,487 employees responsible for sales and marketing across our different business segments.

We normally adopt differentiated, customer-centric sales and marketing strategies for different categories of customers and our business segments. Our extensive natural gas sales networks and deep penetration in cities and rural areas enable us to capture broader market opportunities. For instance, we usually promote and advocate the sales of our value-added products and services during the provision of our retail of gas business. When our staff provide at-home services such as pipeline-related repairment or installation, they could also introduce our value-added products and services, depending on the customers' needs. In addition, our e-City-e-Home platform has integrated multiple functions, where our customers can not only pay the natural gas related bills, but also browse shopping modules on the platform and purchase the relevant value-added products and services, such as kitchen appliances and installation services. Moreover, for our other businesses such as project-based integrated energy business and engineering construction, dedicated regional sales staff will regularly visit our customers and gather their feedback and insights. These interactions simultaneously strengthen post-project relationships, resolve after-sales problems, and identify opportunities to drive repeat business through system upgrades or other relevant service offerings.

We emphasize strict compliance and business ethics during our sales and marketing activities. We have been strictly adhering to the Anti-unfair Competition Law of China, Advertising Law of China and other self-established business ethics codes. Our internal policies and protocols explicitly prohibit exaggerated claims, misleading content, or false representations across all sales and promotional channels. We institutionalize the protection of our consumer rights primarily through three ways, including transparent and full disclosure of product specifications and pricing structures to our customers, regular internal review of advertising content and marketing activities to ensure our compliance with evolving regulatory requirements, and mandatory compliance training for our sales and marketing staff. During the Track Record Period and as of the Latest Practicable Date, to the best of our knowledge, we had not encountered any material noncompliance issue in relation to our sales and marketing activities.

Customer Service

We adhere to the customer-first service philosophy, continuously optimize our service processes and improve our service quality and standards. Meanwhile, we attach great importance to the safe use of natural gas and strive to protect the safety of our customers' lives and property. We have formulated a series of internal policies and protocols to improve our customer service system and our service quality. In addition, we have established standard procedures and protocols for handling our customers' dissatisfaction and other queries. We utilize multiple online and offline channels to collect, analyze and resolve our customers' dissatisfaction and queries, such as our customer service hotline 95158, our 95158 Wechat mini-program and the governmental hotline 12345. We also utilize the Voice of Customer system to gain deeper insight into our customers' needs and preferences while ensuring end-to-end resolution tracking for their dissatisfaction or queries. To maintain open, diverse communications with our customers, we actively solicit and integrate customers' feedback into our service and product refinements. Moreover, we engage independent third parties to conduct annual customer satisfaction surveys through telephone and online assessments, ensuring broad participation of and real feedback from our customers.

The following table sets forth our customer service system and procedures.

Organizational support	A professional customer service team is available, and subject to regular training and stringent appraisals to enhance its professional skills and service awareness.
Channel support	Customer service hotline is available 24/7.
Response support	All details of the customer service process are thoroughly recorded to ensure an accurate record of customer information and efficient follow-up process.
Improvement support	A customer feedback and improvement mechanism is established, and customer feedback serves as an important basis for continuous service improvement, forming a closed-loop service quality management.

SUPPLIERS

Our Top Five Suppliers

For the years ended December 31, 2022, 2023 and 2024, purchases from our largest suppliers in each year during the Track Record Period accounted for approximately 16.6%, 18.1%, and 21.4% of our total purchases, respectively. For the same periods, purchases from our five largest suppliers in each year during the Track Record Period in aggregate accounted for approximately 32.9%, 31.5%, and 35.2% of our total purchases, respectively. During the Track Record Period and as of the Latest Practicable Date, none of the Directors or the respective close associates or any Shareholders (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers.

The following tables set forth certain information with respect to our five largest suppliers during the Track Record Period.

For the year ended December 31, 2022

Rank	Supplier	Relationship with us	Business type	Transaction amount	% of total costs	Settlement term	Supplier background
				(RMB in thousand)	*(%)*		
1 . . .	Supplier A	Independent Third Party	Procurement of natural gas	21,415,464	16.6	Prepayment	A state-owned enterprise listed in SEHK and SSE primarily engaging in the production and sales of oil and natural gas.
2 . . .	Supplier B	Independent Third Party	Procurement of natural gas	7,379,583	5.7	Prepayment	A state-owned enterprise listed in SEHK and SSE primarily engaging in oil and natural gas exploration, sales, storage and transportation.
3 . . .	Supplier C	Independent Third Party	Procurement of natural gas	5,849,932	4.5	Credit term within 7-10 business days	An international company primarily engaging in the generation, transmission and distribution of electricity, natural gas and other energies.

Rank	Supplier	Relationship with us	Business type	Transaction amount	% of total costs	Settlement term	Supplier background
				(RMB in thousand)	*(%)*		
4 . . .	Supplier D	Independent Third Party	Procurement of natural gas	5,142,322	4.0	Prepayment	A state-owned company primarily engaging in the business of natural gas, electricity and other energy related sectors.
5 . . .	Supplier E	Independent Third Party	Procurement of natural gas	2,696,407	2.1	Prepayment	A state-owned company primarily engaging in sales of natural gas and construction and operation of LNG receiving terminals.
	Total			**42,483,708**	**32.9**		

For the year ended December 31, 2023

Rank	Supplier	Relationship with us	Business type	Transaction amount	% of total costs	Settlement term	Supplier background
				(RMB in thousand)	*(%)*		
1 . . .	Supplier A	Independent Third Party	Procurement of natural gas	22,090,381	18.1	Prepayment	A state-owned enterprise listed in SEHK and SSE primarily engaging in the production and sales of oil and natural gas.
2 . . .	Supplier B	Independent Third Party	Procurement of natural gas	6,922,743	5.7	Prepayment	A state-owned enterprise listed in SEHK and SSE primarily engaging in oil and natural gas exploration, sales, storage and transportation.
3 . . .	Supplier D	Independent Third Party	Procurement of natural gas	4,113,438	3.4	Prepayment	A state-owned company primarily engaging in the business of natural gas, electricity and other energy related sectors.

Rank	Supplier	Relationship with us	Business type	Transaction amount	% of total costs	Settlement term	Supplier background
				(RMB in thousand)	*(%)*		
4 . . .	Supplier E	Independent Third Party	Procurement of natural gas	2,741,964	2.2	Prepayment	A state-owned company primarily engaging in sales of natural gas and construction and operation of LNG receiving terminals.
5 . . .	Supplier F	Independent Third Party	Procurement of natural gas	2,509,130	2.1	Credit term within 7-10 business days	An international energy company primarily engaging in the production and sales of oil, natural gas and other related services.
	Total			**38,377,656**	**31.5**		

For the year ended December 31, 2024

Rank	Supplier	Relationship with us	Business type	Transaction amount	% of total costs	Settlement term	Supplier background
				(RMB in thousand)	*(%)*		
1 . . .	Supplier A	Independent Third Party	Procurement of natural gas	24,893,192	21.4	Prepayment	A state-owned enterprise listed in SEHK and SSE primarily engaging in the production and sales of oil and natural gas.
2 . . .	Supplier B	Independent Third Party	Procurement of natural gas	6,375,144	5.5	Prepayment	A state-owned enterprise listed in SEHK and SSE primarily engaging in oil and natural gas exploration, sales, storage and transportation.
3 . . .	Supplier D	Independent Third Party	Procurement of natural gas	3,487,894	3.0	Prepayment	A state-owned company primarily engaging in the business of natural gas, electricity and other energy related sectors.

Rank	Supplier	Relationship with us	Business type	Transaction amount	% of total costs	Settlement term	Supplier background
				(RMB in thousand)	*(%)*		
4 . . .	Supplier E	Independent Third Party	Procurement of natural gas	3,344,508	2.9	Prepayment	A state-owned company primarily engaging in sales of natural gas and construction and operation of LNG receiving terminals.
5 . . .	Supplier F	Independent Third Party	Procurement of natural gas	2,815,667	2.4	Credit term within 7-10 business days	An international energy company primarily engaging in the production and sales of oil, natural gas and other related services.
	Total			**40,916,405**	**35.2**		

During the Track Record Period, Customer D, being our fourth largest customer in 2022, was also our second largest supplier, namely Supplier B, in 2022, 2023 and 2024. We purchased natural gas from Supplier B primarily for our downstream retail of gas business in areas where Supplier B has more resources or more convenient facilities during the Track Record Period, and such purchases amounted to RMB7.4 billion, RMB6.9 billion and RMB6.4 billion, respectively, in 2022, 2023 and 2024, representing 5.7%, 5.7% and 5.5% of our total costs, respectively. We also sold natural gas to our Customer D in areas where we have more resources or more convenient facilities in 2022, from whom we generated revenue of RMB1.6 billion, accounting for 1.1% of our total revenue, and our gross profit for the sales to Customer D in 2022 was approximately RMB47.2 million. According to Frost & Sullivan, it is common for companies in China's natural gas industry to have overlapping customers and suppliers, especially considering the uneven distribution of the natural gas resources in China's vast territory, as well as the regional resource advantages accumulated by different market players. In addition, the Chinese government also encourages the cross-regional natural gas suppliers to coordinate with each other through commercially structured gas swapping or exchange arrangements in order to optimize systemic resource allocation and further secure downstream gas supply. Our Directors confirmed that all of our sales to and purchases from Customer D were conducted in the ordinary course of business under normal commercial terms and on an arm's length basis.

Subcontracting

During the Track Record Period and up to the Latest Practicable Date, we primarily engaged independent third-party subcontractors to carry out our engineering construction projects, who are required to undertake specialized and/or non-core work for our construction projects when necessary, which may vary on a project-by-project basis. The main reasons for engaging subcontractors are to fully leverage the labor resources with complete specialized certifications/licenses and excellent technical expertise in the engineering construction industry, accelerate project progress while ensuring delivery quality, and maintain flexibility in resource allocation. We consider that the practice of outsourcing labor-intensive works could minimize the labor employed directly by us, improve operational efficiency and enhance scalability, allowing us to concentrate relevant resources on our core natural gas-related business.

We have implemented strict standards for selecting subcontractors, maintained and constantly updated qualified subcontractor lists, and built long-term cooperative relationships with them. Most of the subcontractors for our large-scale projects were those who have an over five-year business relationship with us. The selection criteria for our subcontractors include, among others, the qualifications and compliance record, experience and technical expertise, creditworthiness and reputation, financial strengths and cost management capabilities of such subcontractors. We closely monitor and review our subcontractors' performance. For instance, we hold meetings and discussions regularly with our subcontractors and require them to submit periodic reports on a weekly or monthly basis to us regarding their work progress. In addition, we conduct both regular and ad hoc on-site inspections and dispatch our engineers to supervise the overall project management onsite. We may also engage qualified third-party inspection companies for certain projects to help us monitor the construction process of our subcontractors. Furthermore, we place equal emphasis on the safety of both our subcontractors and on-site construction employees. For instance, we delivered comprehensive safety training sessions to our subcontractors, with a total of 41,424 attendees in 2024. Such trainings covered a variety of topics, ranging from factory entry requirements and hazardous work risk management, to special operation procedures and occupational health, all designed to deepen subcontractors' understanding of the importance of safety in construction and to enhance their ability to perform their duties safely.

We normally use standard contract forms as a starting point, revising them as necessary based on negotiations with our subcontractors. The duration of each of the subcontract agreements generally depends on the construction progress schedule of relevant projects, whereas the pricing is typically determined based on the specific characteristics and performance requirements of such projects, as well as other derivative demands for equipment, technology, and on-site management. We usually make installment payments to our subcontractors according to the milestone arrangement of relevant projects, and retain a certain percentage of the total contract value until the expiry of the warranty period, which typically lasts two to five years after our acceptance of the subcontracting services. For certain projects, we may be required to make prepayments to our subcontractors. Moreover, we incorporate subcontractors' work quality, health, safety and environmental protection records into our management system, as we remain liable to our clients for our subcontractors' performance pursuant to the relevant contracts or applicable laws.

Supplier Management

We strive to establish a reliable and resilient supply chain that adapts to efficiency, technological development, cost-effectiveness and eco-friendly practices. Based on the importance and attributes of materials/services provided by our suppliers as well as our annual procurement volumes, we categorize our suppliers into three tiers, including general suppliers, important suppliers, and key suppliers. We maintain and regularly update a registry of our qualified suppliers. The following table sets forth the three major categories of our suppliers.

Key Suppliers	Important Suppliers	General Suppliers
• Suppliers of materials critical to the final product's use or safety, or whose annual purchases account for 60% of our total purchases. • For these suppliers, we implement strategic cooperation, conduct regular performance evaluations and on-site audits, sign long-term agreements, and establish a dynamic adjustment mechanism.	• Suppliers of materials with a moderate impact on final product quality, or whose annual purchases account for 10%-30% of total purchases • For these suppliers, we conduct quarterly assessments, enhance contract performance and cost optimization.	• Suppliers of auxiliary materials with minimal impact on final product quality, or whose annual purchases are less than 10% of total purchases. • For these suppliers, we conduct annual sampling inspections, simplify processes, and focus on price and delivery efficiency management to achieve precise resource allocation.

We have established a comprehensive supplier management system covering the entire procurement process. In terms of supplier selection, we implement stringent assessment criteria, which mainly cover suppliers' qualifications and compliance status, the quality of products and services, financial stability, market reputation and delivery performance. In addition, we have integrated ESG-related considerations into our selection standards to ensure sustainable partnerships with our suppliers. See "— Environmental, Social and Governance — Social Responsibilities — Sustainable Supply Chain Management" for more details. Moreover, leveraging our digital procurement platform, we conduct standardized, routine inspections and periodic evaluations of our suppliers and have formed written records for future reference. For key suppliers and important suppliers, we conduct at least one comprehensive performance evaluation annually. For general suppliers, we conduct annual sampling inspections and will communicate with such suppliers on a regular basis. Our regional dedicated staff also conduct desk research and ad hoc unannounced on-site inspections on our suppliers from time to time. In some cases, we may also engage accredited third-party institutions to inspect the quality of our suppliers' products/services and issue official inspection reports. With respect to supplier assessment, we adopt a ranking system based on total evaluation scores for suppliers in the same category, with a last-place elimination mechanism. Suppliers are assessed across multiple dimensions. Outstanding suppliers are publicly recognized within our Group. For issues identified during evaluations and inspections, we apply different corrective measures based on materiality, with designated timeframes for rectification. We normally assign dedicated personnel to assist such suppliers in implementing corrective actions both online and offline.

Inventory Control

Our inventories mainly consist of natural gas and construction materials. Most of our natural gas inventories are inventories in transit, while some are stored in the storage facilities under our arrangements with PipeChina and/or the Three Major Oil Companies. See "— Our Business — Natural Gas Sales Business — Midstream Processing, Storage and Transmission — Natural Gas Storage Facilities and Capacities" for more details. In addition, the inventories of construction materials are mainly for our construction and installation business.

We closely monitor our natural gas sales plan and/or the size of orders and projects placed by our customers in order to replenish our inventories and make corresponding adjustments from time to time. In addition, we set up a series of inventory management policies and regulations, which requires, among others, all relevant Group members to adopt digital inventory management systems, regularly inspect and audit inventory assets, keep written inspection records and report potential or major safety hazard issues in a timely manner. Moreover, our digitalized supply chain system and inventory system further help us to manage our inventory levels intelligently and efficiently. These digital intelligence systems identify and flag long-held inventories and generate periodic inventory data reports, further helping us to take proactive asset management measures and optimize our inventory turnover rate. During the Track Record Period, the turnover days of our inventories were 7.9 days, 6.8 days and 7.0 days, respectively. See "Financial Information — Analysis of Selected Consolidated Statements of Financial Position — Inventories" for details.

PRODUCTION

Natural Gas Production

During the Track Record Period, in addition to the natural gas we procured from our suppliers, we also supply natural gas from our LNG production plants, namely Qinshui LNG Plant and Chongqing LNG Plant, where we produce natural gas and/or liquefy natural gas to LNG.

Our LNG Plants

The Qinshui LNG Plant and Chongqing LNG Plant are strategically located in regions abundant with unconventional natural gas resources, such as CBM and shale gas, enabling localized extraction, purification, and liquefaction processes that enhance operational efficiency and cost-effectiveness. For instance, the Qinshui LNG Plant in Shanxi province leverages proximity to coal-rich basins and vast CBM reserves. This location facilitates dual feedstock sourcing — direct CBM extraction and coal-derived SNG production — streamlining supply chains while reducing methane emissions from coal mining activities. Meanwhile, the Chongqing LNG Plant, adjacent to the Sichuan basin, capitalizes on one of China's largest shale gas reserves. Its integration with shale gas fields allows for in-situ purification and liquefaction, minimizing transportation costs and enabling rapid scalability. Such a geographically optimized strategy not only strengthens our upstream natural gas supply security, but also aligns with regional decarbonization goals by displacing coal consumption in nearby industrial clusters.

The following table sets forth certain basic information relating to our natural gas production facilities as of the Latest Practicable Date.

Production facilities	Ownership	Location	Production commencement time	Size (m^2)
Qinshui LNG Plant . .	Self-owned	Jincheng, Shanxi	March 2009	42,533
Chongqing LNG Plant	14% owned by us	Chongqing	December 2020	78,744

The following table sets forth the annual capacity, production volume and utilization rate for our natural gas production facilities during the Track Record Period.

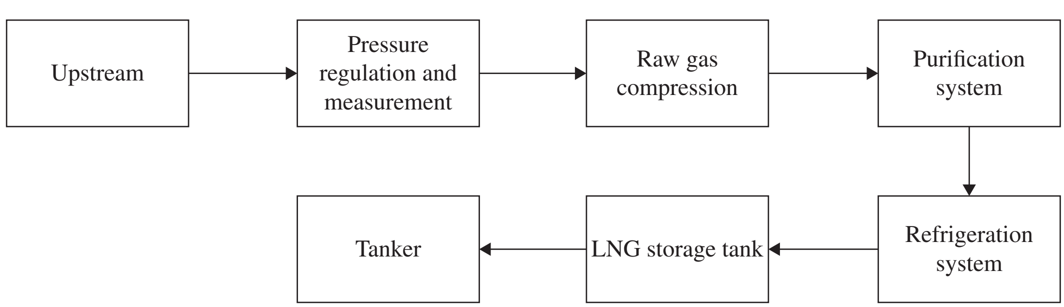
	For the year ended December 31,								
	2022			2023			2024		
	Annual production capacity	Annual production volume	Utilization rate[1]	Annual production capacity	Annual production volume	Utilization rate[1]	Annual production capacity	Annual production volume	Utilization rate[1]
	(thousand m^3)		*(%)*	*(thousand m^3)*		*(%)*	*(thousand m^3)*		*(%)*
Qinshui LNG Plant	148,500	154,705	104.2%	148,500	158,720	106.9%	148,500	154,820	104.3%
Chongqing LNG Plant .	333,340	268,512	80.6%	333,340	257,706	77.3%	333,340	264,356	79.3%

Note:

(1) Utilization rate is calculated by dividing the annual production volume by the annual production capacity in a given year.

1.2 Natural Gas Production Process

The following diagram depicts the key process of our natural gas production.



Our production process of LNG generally involves gas metering and pressure control, pretreatment, gas compression, purification and liquefaction.

- Gas metering and pressure control: The feed gas is sent to the pressure regulator and metering system through pipelines to measure its volumes and adjust its pressure before pretreatment. It will then be pretreated to remove mechanical impurities and dust, after which it will enter the feed gas separation tank for pressure stabilization and preliminary separation.

- Feed gas compression: After pretreatment of feed gas, it will enter into the compressor system for several stages of compression in order to increase the gas pressure for subsequent procedures.

- Purification: The feed gas will then enter into the purification system, where acid gasses (such as CO_2 and H_2S), water dew point, mercury and other heavy hydrocarbons will be removed to prevent freezing and corrosion of the relevant equipment.

- Liquefaction: Subsequent to the purification, qualified feed gas will enter the cold box with refrigerant and cryogenic heat exchanger, where heat transfer between the feed gas and the refrigerant will happen and gas will be liquified under the low temperature. Then, the liquefied LNG will be transported into the LNG storage tanks.

- Storage and transportation: The LNG is usually stored in insulated tanks with BOG recovery systems and can be transported via LNG tanker trucks.

Methanol Production

We produce methanol in our self-owned production plant in Dalateqi, Inner Mongolia. We primarily produce coal-based methanol, which are generally sold as chemical raw materials to our downstream customers such as olefins and formaldehyde terminal production enterprises and large and medium-sized chemical trading companies. Due to China's specific energy structure, which is rich in coal reserves but lacking in oil and natural gas, domestic methanol production generally uses coal as the primary raw material. Therefore, major methanol production bases in China are generally located in coal-rich regions such as Inner Mongolia, Shandong, Henan, Shanxi, and Shaanxi provinces. The prices of methanol also reflect regional characteristics, with relatively higher prices in East China, where coal resources are relatively scarce, and relatively lower prices in North China.

Our Daqi Methanol Plant

As of December 31, 2024, we have established the construction of two sets of production facilities in our Daqi Methanol Plant, including the Phase I coal-to-methanol production facility that was put into operation in 2009 and the Phase II natural gasoline (穩定輕烴) production facility that was put into operation in 2018. During the Track Record Period, the aggregate methanol production capacities of the two sets of production facilities were 1.5 million tons per year. In addition, our Daqi Methanol Plant has eight specialized storage tanks for methanol, with a total designed storage capacity of 100,000 m^3 as of December 31, 2024.

The following table sets forth the annual capacity, production volume and utilization rate for our Daqi Methanol Plant during the Track Record Period.

	For the year ended December 31,								
	2022			2023			2024		
	Annual production capacity(1)	Annual production volume	Utilization rate(2)	Annual production capacity(1)	Annual production volume	Utilization rate(2)	Annual production capacity(1)	Annual production volume	Utilization rate(2)
	(thousand tons)		*(%)*	*(thousand tons)*		*(%)*	*(thousand tons)*		*(%)*
Daqi Methanol Plant	1,500	1,525	101.7%	1,500	1,578	105.2%	1,500	1,604	106.9%

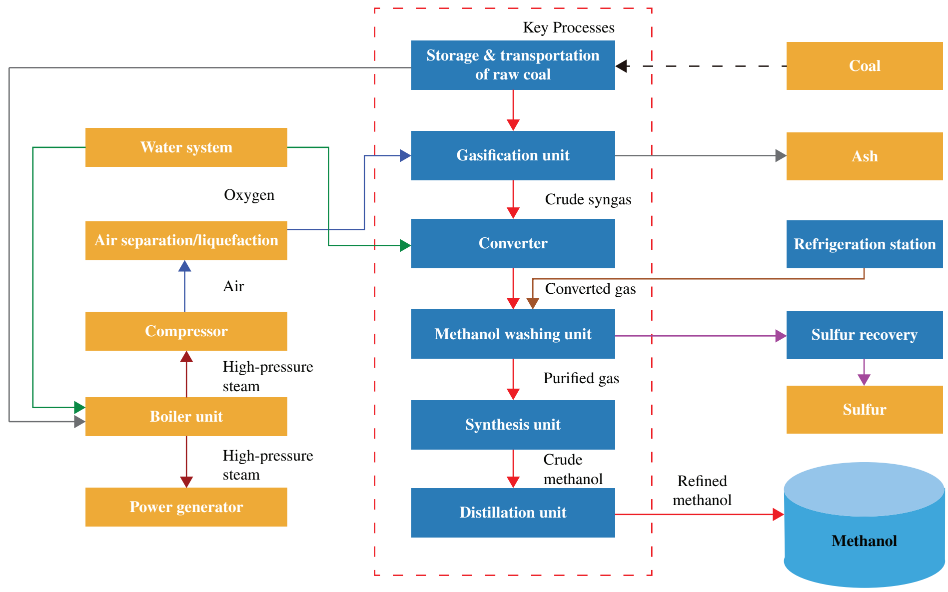
Notes:

(1) The annual methanol production capacity of the two sets of production facilities was 750 thousand tons, respectively. With respect to the Phase II production facility, methanol normally acts as an intermediate product during the production of natural gasoline. In light of the changes in national tax policies effective from 2023, natural gasoline products were subject to consumption tax, we therefore strategically adjusted our Phase II production facility to focus only on the production and sales of methanol.

(2) Utilization rate is calculated by dividing the annual production volume by the annual production capacity in a given year.

Methanol Production Process

The following diagram depicts the key process of our methanol production.



Our production process of methanol generally involves five core stages, including coal gasification, shift conversion, gas purification, methanol synthesis, and distillation.

- Coal gasification: Coal-water slurry, prepared by grinding coal and water, is fed into a gasifier where it reacts with oxygen under high temperature and pressure. This process produces crude syngas (primarily CO, H_2, and CO_2).

- Conversion: The crude syngas will be transported into the converter, where the hydrogen-to-carbon (H/C) ratio in syngas will be adjusted by converting a portion of CO into H_2 via the water-gas conversion reaction.

- Gas purification (low-temperature methanol wash): The purification process will remove acidic components (CO_2, H_2S) and impurities from crude syngas by using certain physical solvent at cryogenic temperatures.

- Methanol synthesis: The purified fresh gas will be compressed to increase its pressure and enter into the methanol synthesis tower, where it will be synthesized and adjusted to an appropriate hydrogen-to-carbon ratio, and react with the catalyst to produce crude methanol.

- Methanol distillation: Crude methanol will then undergo distillation process to further separate impurities to produce refined methanol.

QUALITY CONTROL AND SAFETY MAINTENANCE

Governance

We regard quality control and safety maintenance as key drivers of our competitiveness and long-term success. We place significant emphasis on quality control on our energy supplies, products and services, safety operation and maintenance of our infrastructure, facilities and equipment, as well as energy usage safety. Our quality, health, safety and environment (QHSE) intelligence capability group (the "**QHSE Capability Group**") is responsible for quality control and safety maintenance matters arising from different operation processes. As at December 31, 2024, our QHSE Capability Group consisted of 24 employees, all of whom possess more than 8 years of quality control experience and relevant professional qualifications and experience in the natural gas industry. Their responsibilities mainly include establishing and monitoring the implementation of QHSE-related rules and policies. In addition, we have also developed a multi-level echelon of safety personnel across headquarters, regional, and Group members to establish a direct safety personnel management mechanism. This dedicated management system aims to ensure a safe and healthy work environment that supports our Group's sustainable development.

We provide systematic safety education and training for all our employees and contractors in accordance with our Safety Education and Training Management Measures and other relevant internal policies. Our training programs primarily include monthly training sessions to improve safety awareness of relevant employees and contractors, skill workshops for specialized "safety guardians" in key positions, workshops and salon gatherings regarding advanced safety management capability, and technical seminars on recent and cutting-edge technologies. For the year ended December 31, 2024, we have organized 4,438 safety training sessions for our employees, and 2,125 safety training sessions for our subcontractors, respectively, totaling 8,872 training hours. Through these diverse, structured trainings and activities, we continuously strengthen our employees' safety awareness and professional competence, laying a solid foundation for our safety management.

Quality Control and Safety Maintenance

We establish and implement strict quality control standards and procedure manuals for key stages of our business operations, which cover, among others, the sales and procurement of natural gas and other products and services, and the operation and maintenance of our infrastructure, facilities and equipment. We strictly follow government regulations when adopting our own safety protocols and emergency recovery plans, which are required to be followed by all of our employees.

Quality Control

With respect to the upstream supplies, we only procure natural gas and other energies, products for our value-added business, and other relevant equipment and machinery from our selected suppliers who meet the relevant quality standards. We maintain and regularly update a registry of our qualified suppliers. For our energy suppliers, we conduct random sample tests on natural gas and other energy sources on a regular basis. For other products, facilities or equipment procured from our suppliers, we also conduct tests on their respective qualities and specifications when they arrive at the agreed destination. In the event of any quality defects, we can return the relevant energy sources, products or equipment that do not comply with our quality standards to the suppliers.

With respect to the production and/or processing stages of our natural gas and other energies, we conduct regular and strict inspections at key procedures to ensure the quality of the natural gas and other energies. In addition, our quality inspectors and engineers will continue monitoring and supervising the entire production and/or processing stages, as well as keeping written records of their inspection results.

With respect to our integrated energy business, and engineering construction and installation services, we maintain and implement robust quality control policies and standardized protocols that align with industry standards and customer expectations. In addition, we require staged approval workflows and regular audits to verify adherence to specifications at each phase of development or delivery. We also conduct onsite inspections to monitor the relevant construction or installation processes, as well as keeping written or video records of such inspection results. For certain large-scale projects, we engage independent third-party institutions to conduct physical tests and/or issue a formal quality report to further ensure that the relevant solutions or infrastructure we provided or constructed fulfill quality and safety standards in accordance with relevant government regulations.

Safety Maintenance

To enhance overall safety, we have established a digital intelligence platform that integrates smart maintenance across multiple scenarios, such as the operation of infrastructure, the provision of engineering construction and installation services, and diversified energy applications. This platform enables real-time oversight of critical construction workflows and high-risk operations, establishing a three-tiered safety defense system: (i) preventive maintenance to preempt risks, (ii) safety hazard resolution to address identified vulnerabilities, and (iii) emergency and malfunction management to swiftly respond to urgent incidents or malfunctions.

We conduct inspections of our production facilities and equipment on a regular basis to ensure that our operations are in compliance with existing laws and regulations and that our employees comply with our safety manual. Any abnormalities noted during the periodic safety checks will be reflected in our safety records and follow-up remedial actions will be taken by the responsible departments and officers accordingly. Meanwhile, the relevant government authorities also conduct safety inspection checks occasionally to ensure our operations comply with the workplace safety laws and regulations and would notify us if any of our operations is not in full compliance with the relevant workplace safety laws and regulations. In addition, we have obtained all necessary certificates, licenses and/or approvals for the relevant production business. See "— License, Permits and Approvals" for more details.

With respect to the operation of infrastructure, we require routine patrols and regular examinations on the critical infrastructure, such as gas transmission pipelines, LNG receiving terminal, city gate stations, storage facilities, and transportation vehicles, to identify and address maintenance needs proactively. Moreover, we utilize intelligent technologies to enhance our safety management system and facilitate monitoring, early warning, and supervision of safety and quality across all business processes. Our safety intelligence platform utilizes IoT sensing equipment to collect real-time business operation and user behavior data, which were then transmitted to our smart operation center. Leveraging data collection and AI analysis technologies, we deliver timely warnings and implement safety corrections, enhancing the overall efficiency and accuracy of risk identification while continually improving our safety risk management capabilities. For instance, we deploy the "unmanned station safety guard" system to enhance safety management for the transportation, storage, production and processing of natural gas. The unmanned station safety guard employs digital intelligent products such as pan, tilt and zoom laser, infrared thermal imaging, and electronic fencing to provide all-weather and 360-degree monitoring with no blind spots, enabling early detection and swift rectification of gas leaks. In addition, we also developed a metering model for city gate stations to monitor gas source quality and flow, ensuring stable and accurate measurement at the city gate stations. All inspection findings, including repair actions and equipment conditions, are systematically documented in our digital systems to maintain accountability and traceability.

For downstream natural gas usage safety, we take certain measures by adding odorizing substances and by integrating purification process and pressure regulating functions to our gas processing stations, so as to ensure the immediate detection in case of natural gas leakages and a steady supply of natural gas. In addition, we visit each of our retail customers' properties to carry out on-site safety checks before commencing gas supply and provide improvement or remedial advice upon detection of any potential safety problems regarding their indoor gas facilities. We also distribute safety manuals on gas usage and provide safety education for such customers before commencing gas supply. In addition, we have been promoting the usage of IoT-enabled safety devices, such as leak detectors and auto-closed valves. In the event of any incident, such IoT-enabled devices will immediately report to our safety intelligence platform and send alerts to customers via SMS and voice call, as well as push notifications on the e-City-e-Home platform. We will also dispatch response teams through multiple channels for rapid on-site intervention simultaneously. Moreover, we display prominent safety notices and operational guidelines at our vehicle refueling stations and our transportation vehicles to inform customers and relevant operators of safety usage practices.

RESEARCH AND DEVELOPMENT

To sustain our leadership and competitiveness in the natural gas industry, our R&D has long focused on clean energy related technologies, taking into account other factors such as market demands, customer feedback and emerging technological trends. Our R&D department currently consists of 3,691 employees, accounting for 9.4% of all our employees. In addition, we have two R&D centers strategically located in Beijing and Shanghai, as well as three design and research institutes in Langfang, Shijiazhuang and Jinan. By leveraging regional industry experience and expertise, our R&D centers focus on developing advanced clean energy related technologies, whereas our design and research institutes provide comprehensive engineering solutions ranging from initial design to technical optimization.

Currently, our R&D efforts are focused on advancing technologies and processes related to natural gas, aiming to strengthen our market leadership in the industry. In addition, we are exploring strategic areas such as hydrogen-related technologies and applications to further enhance our long-term competitiveness. For the three years ended December 31, 2022, 2023 and 2024, our R&D expenses were RMB1,218 million, RMB955 million and RMB824 million, respectively.

Key Technologies

We have independently developed a suite of technologies in relation to natural gas production and processing, with full proprietary intellectual property rights. Over the years, we continuously invest in, improve, and refine the underlying technology and production processes through our own efforts in order to achieve cost-efficiency and economies of scale.

The following sets forth our key R&D technological development.

- ***Full-function low-carbon LNG receiving terminal technology:*** We have implemented a series of innovative and advanced technologies during the construction of the Zhoushan LNG Receiving Terminal, including cold energy power generation, simultaneous unloading operations, BOG recovery from LNG tanker trucks, and integrated utilization of circulating water. Notably, our proprietary dual-loop cold energy power generation technology innovatively employs propane and ethylene as working fluids. This system enables staged recovery of cold energy during the LNG regasification process, efficiently converting it into electrical power. In addition, this technology offers high power generation efficiency, low energy consumption, and adaptability to varying operational conditions.

- ***Pulverized coal hydropyrolysis technology:*** Pulverized coal hydropyrolysis technology is a new type of coal grading and quality classification technology developed in-house by us. This technology involves the reaction of pulverized coal with hydrogen under medium-temperature and high-pressure conditions, simultaneously yielding three high-value products, including methane, light aromatics and high-calorific clean semi-coke. This technology combines advantages of coal-to-gas and coal-to-liquid technologies and represents a transformative solution for clean coal utilization, aligning with our carbon reduction goals while maximizing resource efficiency.

- ***Integrated COG methanation process and supporting catalysts:*** We have successfully developed an integrated methanation process for COG along with corresponding catalysts. The nickel-based catalysts exhibit excellent resistance to water, sulfur tolerance, resistance to carbon deposition, high activity, and selectivity, which have achieved industrial application in China.

- ***Hydrogen-blended natural gas skid-mounted device.*** Leveraging existing natural gas pipelines for hydrogen blending represents the most cost-effective approach to integrate green hydrogen into energy systems and enable long-distance transmission of natural gas. Our self-independently developed skid-mounted hydrogen-natural gas blending system employs a recirculation mixing process and proprietary static mixers, which can fully mix natural gas and hydrogen to achieve homogeneous blending.

INTELLECTUAL PROPERTY

Our intellectual property rights are key for us to maintain our competitive position. We seek to protect our intellectual properties and our trade secrets primarily through a combination of trademarks, patents and copyrights, as well as the relevant contractual commitments from our employees and business partners in relation to confidentiality and non-competition. In addition, we also engage professional agencies and legal advisors to maintain our intellectual property and identify potential infringement from third parties on our intellectual properties. As of December 31, 2024, our material intellectual properties include 465 registered trademarks, 401 registered invention patents, and 241 registered software copyrights in mainland China. See "Appendix VI — Statutory and General Information — Our Intellectual Property Rights" for more details. During the Track Record Period and as of the Latest Practicable Date, we do not encounter any disputes, claims or incidents of infringements in relation to our intellectual property that materially and adversely affected our results of operations.

PROPERTIES

Our headquarters is located in Langfang, Hebei province in the PRC. As of the Latest Practicable Date, we did not have any single property with a book value accounting for 15% or more of our total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Land Use Rights

As at December 31, 2024, we owned 222 parcels of land in the PRC that were material for our business operations with an aggregate site area of approximately 7.6 million m^2, which are mainly used for public utility infrastructure and industrial usage. Out of the 222 material parcels of land of which we own land use rights, we have obtained the land use right certificates for 207 parcels of land with an aggregate site area of approximately 7.3 million m^2. There were 15 parcels of land with an aggregate site area of approximately 365.8 thousand m^2 in the PRC (the "**Land with Title Defect**"), for which we have not obtained the land use right certificates.

As advised by our PRC Legal Advisor, no material administrative penalty has been imposed on us in relation to the Land with Title Defect during the Track Record Period. In addition, we have obtained written confirmations for nine parcels of the Land with Title Defect from each of the relevant local competent authorities confirming that such Land with Title Defect is free from disputes or encumbrances and is being utilized, relevant ownership certificate is being applied for by us, and/or no administrative penalty has been imposed on such land for violation of relevant laws, regulations and rules. Other than the above-mentioned Land with Title Defect that has obtained governmental confirmations and the Land with Title Defect that were not utilized by us, the site area and the net asset value of the rest Land with Title Defect only accounts for a small proportion of both the aggregate site area of the Group's material parcels of land and the Group's total net assets as of December 31, 2024. Moreover, during the Track Record Period, the Land with Title Defect have been possessed and/or utilized by us and we are actively advancing the process for obtaining the relevant land use right certificates. Therefore, the aforementioned Land with Title Defect will not, individually or in the aggregate, result in any material legal obstacle to the [**REDACTED**] of the [**REDACTED**]. Having considered the foregoing, our Directors believe that the Owned Land with Title Defect described above will not, individually or in the aggregate, materially affect our business and results of operation.

Owned Properties

As at December 31, 2024, we owned 114 properties in the PRC that were material for our business operations with an aggregate site area of approximately 817.9 thousand m^2, which are mainly used for office and industrial usage. Out of the 114 material properties we owned, we have obtained the property ownership certificates for 97 properties with an aggregate site area of approximately 639.4 thousand m^2. There were 17 properties with an aggregate site area of approximately 178.5 thousand m^2 in the PRC (the "**Owned Properties with Title Defect**"), for which we have not obtained the properties ownership certificates.

As advised by our PRC Legal Advisor, no material administrative penalty has been imposed on us in relation to the Owned Properties with Title Defect during the Track Record Period. In addition, other than one property acquired by us through a debt settlement arrangement involving property offset, which was not utilized yet, all the other Owned Properties with Title Defect have obtained written confirmations from each of the local competent authorities confirming that the relevant Owned Properties with Title Defect are free from disputes or encumbrances, relevant ownership certificates are being applied for by us, and/or no administrative penalty has been imposed on such properties for violation of relevant laws, regulations and rules in relation to the property management. Moreover, during the Track Record Period, the Owned Properties with Title Defect have been possessed and/or utilized by us and we are actively advancing the process for obtaining the relevant properties ownership certificates. Therefore, the aforementioned Owned Properties with Title Defect will not, individually or in the aggregate, result in any material legal obstacle to the [**REDACTED**] of the [**REDACTED**]. Having considered the foregoing, our Directors believe that the Owned Properties with Title Defect described above will not, individually or in the aggregate, materially affect our business and results of operation.

Owned Rights to Use Sea Areas

As at December 31, 2024, we owned the right to use seven sea areas in the PRC with a total sea area of approximately 235.7 hectares, which are primarily used for industrial marine purpose and submarine cable and pipeline installations. We have obtained the certificates from competent authorities to use all these seven sea areas.

Leased Land

As at December 31, 2024, we leased five parcels of land in the PRC that were material for our business operations with an aggregate site area of approximately 108.8 thousand m^2, which are primarily used for our gas fueling stations, and storage and distribution stations. Among the five parcels of leased land, the lessor of one parcel of land with an aggregate site area of approximately 24.9 thousand m^2 could not provide the land use right certificate (the "**Leased Land with Title Defect**"). The Leased Land with Title Defect is a parcel of land collectively-owned by a residential committee, acting on behalf of the residents in the community. If the residential committee does not have the requisite rights to lease this land, we may encounter difficulties in continuing to lease such land and may be required to relocate.

As advised by our PRC Legal Advisor, according to the PRC Civil Code and the terms of the land lease agreement, should any title defect give rise to our relocation, we are entitled to require the lessor to assume relevant liabilities. In addition, we have obtained a written confirmation from the residential committee, which confirms that (i) more than two-thirds of the representatives of the community residents have approved the lease of the Leased Land with Title Defect to us; (ii) the representatives of community residents have been fully informed of our non-agricultural constructions on the Leased Land with Title Defect and we have not constructed any permanent buildings on such land. Upon the expiration of the lease, such land will be restored to its original condition without changing the nature of this land; and (iii) we have not violated any terms of the lease agreement and there is no dispute or potential dispute between the residential community (including the community residents) and us. Furthermore, during the Track Record Period, we were not subject to any penalties by relevant government authorities, nor subject to any material legal proceeding or disputes with the lessors in relation to Leased Land with Title Defect. Therefore, the aforementioned Leased Land with Title Defect will not, individually or in the aggregate, result in any material legal obstacle to the [**REDACTED**] of the [**REDACTED**]. Having considered the foregoing, our Directors believe that the Leased Land with Title Defect described above will not, individually or in the aggregate, materially affect our business and results of operation.

Leased Properties

As at December 31, 2024, we leased 31 properties in the PRC that were material for our business operations with an aggregate site area of approximately 61.1 thousand m^2, which are primarily used for our offices. We had not completed lease registration for all these leased properties with relevant authorities (the "**Non-registration of Leased Properties**"). Our PRC Legal Advisor is of the view that the Non-registration of Leased Properties will not affect the validity of the relevant lease agreements and the legal use of such leased properties, but that the relevant local housing administrative authorities may require us to complete registrations within a specified time frame, and we may be subject to a fine of between RMB1,000 and RMB10,000 for any delay in making registration for each of such leased agreements. During the Track Record Period, we were not subject to any penalties by relevant government authorities, nor subject to any material legal proceeding or disputes with the lessors in relation to the Non-registration of Leased Properties. Therefore, the aforementioned Non-registration of Leased Properties will not, individually or in the aggregate, result in any material legal obstacle to the [**REDACTED**] of the [**REDACTED**]. Having considered the foregoing, our Directors believe that the Non-registration of Leased Properties described above will not, individually or in the aggregate, materially affect our business and results of operation.

In addition, among the abovementioned 31 leased properties, the lessors of two leased properties had not provided the relevant property ownership certificates to us. If such lessors do not have the requisite rights to lease these properties, we may encounter difficulties in continuing to lease such properties and may be required to relocate. As advised by our PRC Legal Advisor, according to the PRC Civil Code and the terms of the property lease agreements, should any title defect give rise to our relocation, we are entitled to require the lessors to assume relevant liabilities. During the Track Record Period, we were not subject to any penalties by relevant government authorities, nor subject to any material legal proceeding or disputes with the lessors in relation to the abovementioned two properties. Therefore, the aforementioned two leased properties will not, individually or in the aggregate, result in any material legal obstacle to the [**REDACTED**] of the [**REDACTED**]. Having considered the foregoing, our Directors believe that our lessors' failure to provide the relevant property ownership certificates as described above will not, individually or in the aggregate, materially affect our business and results of operation.

LICENSE, PERMITS AND APPROVALS

We are subject to laws, regulations and supervision by different levels of regulatory authorities and are required to maintain various licenses, permits, certificates and approvals in order to conduct our business. See "Regulatory Overview" for more details. As at December 31, 2024, we had obtained requisite licenses, permits, certificates and approvals material to our business operations in the jurisdictions where we operated and such licenses, permits, certificates and approvals were valid and subsisting.

The following table sets forth details of our material licenses, permits, certificates and approvals as of December 31, 2024.

		Numbers of material license/permit/certificate/approval hold by our Group members				
No.	Name of material license/permit/ certificate/approval	Total	To be expired as at December 31, 2025	To be expired after December 31, 2025 and on/before December 31, 2028	To be expired after December 31, 2028 and/or no expiration date	Major awarding authority of PRC
1.	Gas business license for PNG operation (管道氣業務燃氣經營許可證)	241	33	160	48	Housing and Urban-Rural Development Bureau, Urban Management Bureau, Urban Management and Comprehensive Law Enforcement Bureau, or Administrative Approval Service Bureau of relevant counties or cities or other competent authorities
2.	Business license for gas refueling station, bottled gas, and other gas-related business (加氣站、瓶裝及其他業務燃氣經營許可證)	52	7	37	8	
3.	Hazardous chemicals operation license (危險化學品經營許可證)	85	12	73	N/A	Emergency Management Bureaus and Administrative Approval Bureaus of relevant counties and cities
4.	Gas cylinder filling license (氣瓶充裝許可證)	52	10	39	3	Market Supervision and Administration Bureaus of relevant provinces and cities
5.	Filling permit for mobile pressure vessels (移動式壓力容器充裝許可證)	10	3	6	1	Market Supervision and Administration Bureaus of relevant provinces and cities
6.	Class I qualification for general contracting of municipal public works construction (市政公用工程施工總承包壹級)	1	N/A	1	N/A	Hebei Provincial Department of Housing and Urban-Rural Development
7.	Class II qualification for general contracting of municipal public works construction (市政公用工程施工總承包貳級)	12	2	4	6	Provincial and municipal housing and urban-rural development departments or bureaus

		Numbers of material license/permit/certificate/approval hold by our Group members				
No.	Name of material license/permit/ certificate/approval	Total	To be expired as at December 31, 2025	To be expired after December 31, 2025 and on/before December 31, 2028	To be expired after December 31, 2028 and/or no expiration date	Major awarding authority of PRC
8.	Class A design qualification in chemical, petrochemical and pharmaceutical industries (化工石化醫藥行業甲級); Specialized Class A in petroleum and natural gas (offshore oil) industry (pipeline transportation) (石油天然氣(海洋石油)行業(管道輸送)專業甲級); Specialized Class A in municipal industry (urban gas engineering, thermal engineering) (市政行業(城鎮燃氣工程, 熱力工程)專業甲級)	1	N/A	N/A	1	Ministry of Housing and Urban-Rural Development
9.	Class II qualification for general contracting of power engineering construction (電力工程施工總承包貳級)	3	N/A	1	2	Hebei Provincial Department of Housing and Urban-Rural Development; Beijing Municipal Housing and Urban-Rural Development Committee; Shenyang Municipal Urban-Rural Development Bureau
10.	Port operation license (港口經營許可證)	1	N/A	1	N/A	Zhoushan Port and Shipping Administration Bureau
11.	Port dangerous goods handling permit (港口危險貨物作業附證)	4	N/A	4	N/A	Zhoushan Port and Shipping Administration Bureau
12.	Certificate of compliance for port facility security (港口設施保安符合證書)	1	N/A	1	N/A	Zhejiang Provincial Department of Transportation
13.	Safety production license (安全生產許可證)	2	2	N/A	N/A	Shanxi Provincial Emergency Management Department; Ordos Municipal Emergency Management Bureau

No.	Name of material license/permit/certificate/approval	Numbers of material license/permit/certificate/approval hold by our Group members: Total	To be expired as at December 31, 2025	To be expired after December 31, 2025 and on/before December 31, 2028	To be expired after December 31, 2028 and/or no expiration date	Major awarding authority of PRC
14. .	Value-added telecommunications business license (增值電信業務經營許可證)	3	N/A	3	N/A	Ministry of Industry and Information Technology
15. .	Electricity power business permit (電力業務許可證)	6	N/A	N/A	6	East China Regulatory Bureau of the National Energy Administration, Northeast Regulatory Bureau of the National Energy Administration, Southern Regulatory Bureau of the National Energy Administration
16. .	Heating supply operation license (供熱經營許可證)	4	1	3	N/A	Langfang Municipal Administrative Approval Bureau; Qingdao Municipal Urban Management Bureau; Qingdao Huangdao District Administrative Approval Service Bureau; Qingdao Municipal Administrative Approval Service Bureau
17. .	Financial business license (金融許可證)	1	N/A	N/A	1	Hebei Regulatory Bureau of the State Financial Supervision and Administration Bureau

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

From time to time, we have been, and may in the future be, involved in arbitration, litigation or regulatory proceedings relating to various aspects of our operations in the ordinary course of our business. See "Risk Factors — Risks Relating to Our Business and Industry — If we become a party to litigations, legal disputes, claims or administrative proceedings, such involvement may divert our management's attention and result in costs and liabilities." for details. Our Directors have confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation. In addition, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation.

RISK MANAGEMENT AND INTERNAL CONTROL

We prioritize robust risk management and internal control across our operations. We have implemented a comprehensive risk governance structure and a full-process risk management mechanism to effectively identify, assess, and respond to a wide range of risks. To foster a robust and accountable risk management culture, we deliver consistent, targeted training and promote risk awareness among all employees, ensuring Company-wide engagement in risk management, prevention and control. In addition, to better navigate the complex and rapidly evolving market environment, we have adopted and implemented various policies and procedures to ensure rigorous risk management and internal control, which enable us to take proactive prevention measures and strengthen our capacity to respond to emerging challenges, ensuring timely and effective risk management and mitigation across our operations.

Governance

We continue to improve our risk management and internal control structure. Our Audit Committee is responsible for supervising the overall corporate risks. In addition, we have established a risk alert intelligence capability group (the "**Risk Alert Intelligence Capability Group**"), which led by our risk monitoring director. The Risk Alert Intelligence Capability Group is responsible for continuously monitoring the implementation of our risk management policies and the risk control of our subsidiaries, and reporting regularly to our Audit Committee to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations.

Moreover, to strengthen risk management in connection with our business execution and operations, we have further established several specialized functional groups, including the "intelligent capability group for transaction and risk control (交易風控智能能力群)" that is responsible for monitoring and controlling risks associated with our natural gas business, the "intelligent capability group for commercial and legal affairs (商務與法務智能能力群)" that manages contractual and legal risks to ensure compliance with relevant laws and regulations, and the financial and operational group that oversees the risk identification and controls in our day-to-day internal operations. Through the coordinated efforts among these groups, we implement a multi-dimensional risk management framework to proactively identify, mitigate and manage various dynamic risks that may arise throughout our development process.

Furthermore, we maintain a risk management mechanism of "one closed loop, two directions, three strategies, and four principles" (一個閉環、兩個方向、三個策略、四個原則) and adhere to the concept and corporate culture of "self-drive, self-discipline, self-reflection, and self-renewal" (自驅、自律、自省、自新). In addition, we adopt various methods to deepen the construction of our risk management culture and have regularly conducted risk prevention and management training for our directors, senior management and employees. In 2024, we have conducted 16 training sessions in relation to risk management and internal control, with a total of more than 4,628 persons participating in such trainings.

Risk Management and Internal Control

We have adopted and implemented comprehensive risk management policies in various aspects of our business operations such as financial reporting, internal control, legal and compliance, human resources and information technology risk management.

Financial Reporting Risk Management

We have established and implemented a complete set of accounting policies and procedures in connection with our financial reporting risk management, such as financial and accounting policies, budget management procedure and financial statement preparation procedure. We have various procedures and IT systems in place, such as SAP, an enterprise resource planning software, to implement accounting policies, and our finance department reviews our management accounts according to relevant procedures and protocols. We also provide regular training to our finance department staff to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

Internal Control Risk Management

We have designed and adopted a set of comprehensive internal control policies to ensure strict compliance of our business operations with applicable rules and regulations, such as policies regarding approval authority and procedures, compliance risk management, capital investment management and contract management. In addition, we have engaged an independent advisory firm to assist us in assessing the effectiveness of our internal control system and in improving our overall internal controls. We continually review our risk management policies and measures to ensure our policies and implementation are effective and sufficient.

Legal and Compliance Risk Management

We are subject to laws, regulations and supervision by different levels of regulatory authorities with regard to our business operations, which may be subject to changes. See "Regulatory Overview" for details. We have in place detailed internal procedures to ensure regulatory compliance. Our legal department is responsible for monitoring legal and regulatory compliance and the control environment at the Group level as well as the subsidiary level. Our legal department is led by an internal legal specialist who provides periodic reports on our compliance status to the senior management. In addition, we also engaged external legal advisors to advise us on compliance with the Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary.

Human Resources Risk Management

We have established a number of standard operation procedures and code of conduct for human resources management covering a variety of aspects, such as work ethics, training manuals, recruiting policies, and prevention mechanisms to avoid fraud, negligence and corruption. We monitor the implementation of our human resources risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential incompliance with our code of conduct, work ethics, and violations of our internal policies or other illegal acts. In addition, we are committed to fostering a robust risk management culture across the Group. We provide regular risk prevention and management trainings to enhance employee understanding and ability to manage risks. We also leverage our digital intelligence platform to disseminate risk alerts to certain employees in a timely manner. This enables our employees to access descriptions and analyses of risk scenarios specific to their business areas, enhancing awareness and focus on risk management and control. By embedding a proactive risk mindset across the entire organization, we established a solid foundation for sustainable development.

Information Technology Risk Management

We have established and maintain information technology risk management procedures and policies that we consider to be appropriate for our business operations. We regularly assess the effectiveness of our information system and data privacy and security policies to avoid leakage or loss of our information. See "— Information Technology and Data Protection" for more details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

We believe that robust ESG management and sound corporate governance are pivotal to our long-term success and the sustainability of our business, and we endeavor to make a positive and sustainable impact on our stakeholders through environmentally and socially responsible operations. As of the Latest Practicable Date, we are the only enterprise in China's public utility sector that has received an MSCI AAA rating, which further demonstrates our exceptional performance in the ESG areas.

ESG Governance

We have integrated ESG principles into every aspect of our corporate governance and daily operations. The Board of Directors is responsible for steering our overall ESG strategy, setting annual ESG goals, and determining ESG-related budgets and policies. In addition, we established a dedicated ESG committee under the supervision of the Board, chaired by our vice chairman, which is responsible for overseeing the implementation of ESG strategies and goals and regularly reporting to the Board. Our ESG committee is further supported by a specialized ESG working group, which is responsible for implementing the specific ESG-related policies and guidance, identifying ESG-related risks and opportunities, and preparing our ESG annual report. To advance our sustainable development agenda, we have closely integrated ESG indicators with the remuneration performance of the management. Our subsidiaries and our business departments and units now operate under clearly defined annual ESG assessment metrics, where performance outcomes directly determine the allocation of the incentive pool for both management and employees. Additionally, we link ESG performance indicators to the remuneration of non-independent directors and senior management and establish the senior management remuneration claw-back and bonus return mechanisms to conduct a review and assessment of the performance of Board members and senior management annually or in the event of significant corporate changes.

ESG Strategy and Goals

Our WISE Strategy

We have established a comprehensive sustainability strategy under the guidance of "With Wisdom, We Innovate Sustainable Energy" (the "**WISE strategy**") to address evolving global energy transitions and climate challenges. The WISE strategy is run through four feasible pathways, including "self-driven altruism" (自驅利他), "excellent governance" (卓越治理), "safe energy supply" (安全供能), and "green development" (綠色發展), collectively forming our strategic sustainability framework. This strategic WISE strategy serves as an operational blueprint for us to achieve sustainability targets by phases while strengthening industry leadership and social accountability.

The following diagrams depict the highlights of our ESG-related strategies and achievements under the guidance of the WISE strategy in 2024.

Self-driven altruism: Creating a diverse and harmonious ecosystem

Talent development
- **RMB35.5** million investment in employee training programs
- Approximately **1.5 million** cumulative hours of trainings completed by our employees
- **100%** employee participation in training sessions with an average of **36.9** training hours per employee

Supply chain management
- **100%** of suppliers have signed the commitment of integrity and self-discipline
- **152 key** suppliers have participated ESG-related training sessions

Social responsibility
- **RMB31.3 million** investment in philanthropic contributions
- **451,600** cumulative hours contributed by employees to public welfare activities
- **47,400** public welfare projects participated by employees

Excellent governance: Achieving long-term value creation governance

Enhanced governance and diversified development
- **36%** of independent non-executive directors on the Board
- **100%** of independent non-executive directors on the Audit Committee and Remuneration and Appraisal Committee
- **18%** of female directors, which is expected to be increased to **30%** by 2030

Strengthened risk control & ethical operations
- **16** specialized risk management training sessions
- Over **4,600** employee participations in compliance and integrity trainings
- Passed **ISO 37301**, an international standard for compliance management systems
- **0** incident regarding harassment, discrimination, information leakage, conflict of interests, or inside trading

Safe energy supply: Laying the foundation for social development

Safety capacity building
- **480,597** employees participated in safety training sessions
- **41,424** contractor participated in safety training sessions

Occupational health & safety
- **ISO 45001** certification obtained by us and our Group members
- **0.23** disabling incident frequency rate per million man-hour for employees
- **0.12** disabling incident frequency rate per million man-hour for employees and contractors
- **100%** employee participation in physical examination
- **RMB1.3** billion investment in health and safety initiatives for employees

Green development: Co-creating an intelligent low-carbon framework

Climate action
- **1.5%** year-on-year reduction in Scope 1 GHG emissions
- **11.3%** year-on-year reduction in Scope 2 GHG emissions

Environmental protection
- **ISO 14001** environmental management system certification obtained by us and our Group members
- **1,078** cumulative training sessions regarding environmental protection, covering **7,446** participants
- **35.8%** year-on-year reduction in air pollutant emissions

Biodiversity conservation
- Zhoushan LNG Receiving Terminal invested **RMB1.9** million in fish release initiatives, carrying out **6** batches of seedling releases and releasing a total of **84.2 million** juvenile fish for stock enhancement in 2024.

Our ESG Goals

We demonstrate our commitment as a responsible energy enterprise by integrating sustainability into our core development strategy. In 2022, we released the Green Action 2030: ENN-NG's Path to Carbon Neutrality (the "**Green Action 2030**"), outlining our dual-carbon objectives: achieving carbon peak by 2030 and carbon neutrality by 2050. To realize such goals, we have established actionable emission reduction targets across our business segments, accompanied by a detailed zero-carbon roadmap to systematically advance our green transformation in alignment with national low-carbon development priorities.

The following table sets forth the major ESG-related goals and our commitments.

Scope	Achievement in 2024	Goals/Commitment
Environment	The GHG emission intensity of our city gas business has decreased by 37.4% compared with 2019.	We aim to reduce the GHG emission intensity of our city gas business by 50% compared with 2019 by 2030.
	We pay close attention to the methane emission control measures and strives to work with the members of China Oil and Gas Enterprise Methane Emission Control Alliance (the "**Alliance**") (中國油氣企業甲烷控排聯盟) to achieve such goal.	We aim to include methane emission control into the GHG emission reduction development plan, and we strive to achieve the goal of reducing the average methane emission intensity in the natural gas production process to below 0.25% by 2025 together with our Alliance partners.
	The GHG emission intensity of our integrated energy production business has decreased by 41.5% compared with 2019.	We aim to reduce the GHG emission intensity of integrated energy business with production focus by 48% compared with 2019 by 2030.
	The proportion of renewable energy and zero-carbon energy provided by us (such as photovoltaics, biomass, geothermal energy, hydrogen energy) has been increased to 23.5%.	We aim to increase the proportion of renewable energy and zero-carbon energy to 36% by 2030.
Social	The disabling incident frequency rate per million man-hour for employees and contractors reached 0.12.	We aim to reduce the disabling incident frequency rate per million man-hour for our employees and contractors to 0.75.
Governance	The proportion of female Directors reached 18%.	We aim to increase the proportion of female Directors to 30% by 2030.

Risks, Opportunities and Responses

In the global wave of low-carbon transformation, the energy industry faces unprecedented opportunities and challenges. High-carbon energy sources dominated by oil and coal are being gradually replaced by low-carbon energy sources such as natural gas, as well as renewable energy sources like hydrogen and biomass. The rapid development of artificial intelligence has also brought unprecedented opportunities for low-carbon transformation and intelligent upgrading of industrial chains. We believe that the identification and management of ESG-related risks are crucial for our sustainable development. We have established a systematic ESG risk management framework and conduct materiality assessments for ESG matters in light of policy and regulatory trends and industry development and standards. In considering the materiality of ESG matters, we evaluate the performance and measures of comparable market players and assess impact of these matters to us and our stakeholders. The following table sets forth the relevant risks, opportunities and corresponding measures we took or plan to take in response to such risks and opportunities.

Risk type	Risk	Impact on our business	Major responses and/or opportunities
Acute climate risk . .	Typhoon	More frequent typhoons may affect our business operation in coastal areas, causing logistics delays in our provision of products/services and facility shutdowns of our infrastructure, such as Zhoushan LNG Receiving Terminal	• Digital intelligent transformation: – Utilize the Great Gas Net to predict typhoon trajectories, promptly adjust delivery plans, and minimize losses. – Conduct risk assessments and adaptive adjustments for transport routes and port selection to reduce impacts on vulnerable areas and facilities. – Estimate natural gas demand fluctuations caused by temperature changes, issue early warnings and optimize supply reserves and dispatch system. • Increase insurance coverage for critical assets and facilities to mitigate financial losses. • Facility reinforcement: Reinforce and protect the pipeline auxiliary facilities in advance, arrange emergency repair personnel on duty. After extreme weather, conduct a foot patrol inspection of the entire pipeline, count the losses, and carry out emergency repairs on the facilities.
	Flood	More frequent may damage our natural gas related infrastructure, such as pipelines and other associated facilities, causing asset losses and increased repair costs	
Chronic climate risk .	Global rising temperature	Global rising temperature may reduce demands in natural gas, therefore impacting on our business and operations	

Risk type	Risk	Impact on our business	Major responses and/or opportunities
Technical risk	Artificial intelligence	• Inadequate data collection and protection measures may lead to data breaches, which in turn violate user privacy. • Hacker attacks or improper operations by internal personnel pose a significant threat to data security. • Non-compliant content generated by AI technology may bring legal risks and reputational losses.	• We have strengthened data encryption technology to ensure data security and established a strict data access control mechanism. Only authorized personnel are allowed to access sensitive data. At the same time, regular data security audits and vulnerability scans are carried out to maintain the stability of the data system. • We have established and improved a content review mechanism, introduced automated tools to improve the efficiency and accuracy of review, and regularly updated and refined the content compliance policy to ensure synchronization with regulatory requirements and industry development.
Economic risk	Energy price fluctuations	• Uncertainties in the international situation and the economy may lead to drastic fluctuations in energy prices which will directly affect our procurement costs and profits. • We operate multiple international long-term LNG purchase and sales contracts on a regular basis, the pricing of which is mainly linked to international crude oil or natural gas price indices, and changes in which may expose us to risks.	• We have established a specialized hedging team to mitigate our exposure to the volatility of natural gas price and the fluctuations of foreign exchange by employing commodity derivatives and foreign exchange derivatives. • We also developed an ETMO system to further support our hedging-related activities. See "— Hedging Activities and Risk Management" and "Our Digital Intelligence Capabilities — ETMO Risk Management system" for more details. • To expand and explore other renewable energy supply, and enhance green power generation such as photovoltaic power generation.

Risk type	Risk	Impact on our business	Major responses and/or opportunities
Policy and regulatory risk	Carbon pricing	Expanding carbon market coverage and tightening emission requirements may increase our compliance costs.	• Develop context-specific integrated energy solutions by leveraging local energy resources and exploring clean energy sources.
	Shipping industry included into EU's carbon market	The EU's inclusion of shipping industry into its carbon market (to achieve its 55% emission reduction target by 2030) may significantly raise our overseas shipping costs.	• Promote photovoltaic generation and explore new pathways such as cold energy power generation to reduce Scope 2 emissions. • Strengthen carbon tax management: – Establish carbon trading accounts with counterparties to streamline the channels for purchase of carbon quotas.
	China's dual-carbon policy	China's "30•60" climate goals (carbon peaking by 2030, neutrality by 2060) are accelerating the transformation of energy structure and increasing the proportion of non-fossil energy (such as wind, solar, hydro, nuclear, biomass).	– Implement the globally connected market risk monitoring that integrates carbon business into the 24-hour globally connected management system. – Strengthen capabilities for EU Allowance (EUA) futures management, ensuring end-to-end carbon oversight across international trade, shipping, tax compliance, and settlement. – Assess impacts of the carbon border adjustment mechanism (CBAM), evaluate customers' impact, and develop carbon-support products. • Establish ETMO-centered digital capabilities and systems for carbon emission risk control to address industry gaps.

ESG-Related Metrics

GHG Emission Metrics

We assess our environmental performance annually, conduct group-wide carbon footprint verification periodically and continuously enhance our GHG emission controls and energy consumption management. Guided by the materiality principle, we have disclosed natural gas-related carbon footprints and designed energy-saving and decarbonization plans since 2020. The following table sets forth the GHG emissions of our Group during the Track Record Period.

		For the year ended December 31,		
	Unit	**2022**	**2023**	**2024**
GHG emissions				
Scope 1 direct GHG emissions(1)	*thousand tCO_2e*	3,918	3,921	3,863
Scope 2 indirect GHG emissions(1)	*thousand tCO_2e*	573	542	481
Subtotal of Scope 1 and Scope 2 GHG emissions	*thousand tCO_2e*	4,491	4,463	4,344
Intensity of Scope 1 and Scope 2 GHG emissions	*thousand tons of CO_2 per billion RMB of revenue*	29	31	32
	thousand tons of CO_2 per billion m^3 natural gas	124	115	111
Scope 3 indirect GHG emissions(2)	*thousand tCO_2e*	69,058	72,354	73,507
Intensity of Scope 3 indirect GHG emissions(2)	*thousand tons of CO_2 per billion RMB of revenue*	508	532	541

Notes:

(1) Scope 1 GHG direct emissions are primarily from the consumption of direct energy (such as gasoline, natural gas) in our operations; Scope 2 GHG indirect emissions are primarily from the consumption of energy (such as purchased or acquired electricity, heating, cooling, steam) in our operations.

(2) Scope 3 GHG indirect emissions are primarily from upstream and downstream indirect emissions in relation to our natural gas business.

Resource Consumption

We continuously promote emission and consumption reductions by setting energy-saving targets and adopting energy conservation technologies. In terms of energy consumption management, we have implemented a robust energy management system, establishing tailored energy consumption targets for energy efficiency and emission reduction in line with our operational and developmental needs.

The following table sets forth the key resource consumption data of our Group during the Track Record Period.

	For the year ended December 31,		
	2022	2023	2024
Natural gas consumption (*thousand m^3*)	18,421	21,154	15,682
Water consumption (*thousand tons*)	13,082	12,825	14,880
Gasoline consumption (*thousand liters*)	7,836	3,875	4,945
Diesel consumption (*thousand liters*)	5,917	2,085	2,132
Coal consumption (*thousand tons*)	899	875	828
Purchased electricity consumption (MWh)	887,561	796,162	848,780
Integrated energy consumption (*thousand tons of standard coal*)	2,429	2,206	2,386

Guided by our Green Action 2030, we require each of our Group members to deepen their understanding of carbon reduction importance, identify and implement low-carbon policies tailored to daily operation and production, and collaborate with each other to build an energy-efficient ecosystem. In addition, we endeavor to optimize our operation to proactively conserve energy. For example, with respect to our natural gas business and operations, we deployed the unmanned station safety guard systems to detect and rectify gas leaks effectively and swiftly in order to prevent GHG emissions. In addition, our Zhoushan LNG Receiving Terminal has established a pressurization and recovery system for LNG tanker trucks. The system connects the trucks' BOG to the terminal's central BOG pipeline, enabling the BOG remaining in the tankers to be unloaded and recovered through the terminal's BOG handling system. This system effectively captures residual BOG from LNG tankers, resulting in the reduction of over 2,000 tons of direct natural gas emissions in 2024. Moreover, we have been using and continue to use environmental-friendly equipment and facilities and will also leverage our video monitoring system to avoid unintended energy usage during off-hours. Our building management officers conduct inspections regularly to make sure the lighting, heating and air conditioning systems are turned off during off-hours. We also encourage double-sided printing and office waste classification to reduce wastes.

Waste Management

The main waste generated during our operational process include wastewater, waste gas and solid waste. The following table sets forth a breakdown of our wastes during the Track Record Period.

	For the year ended December 31,		
	2022	2023	2024
Total wastewater (*thousand tons*)	1,591	1,581	2,415
Total disposal of solid waste (*thousand tons*)	1,857	681	647
Hazardous waste	5	5	11
Non-hazardous waste	1,852	676	636
Total air pollutant emissions *(tons)*	406	522	335
SO_2 emissions	92	123	135
NO_x emissions	282	376	183
Smoke and dust emissions	32	23	17

Our wastewater primarily includes production wastewater, domestic sewage, and mine drainage. Guided by the principles of "separation of clean water and sewage, separation of rainwater and sewage, and multiple uses of water" (清污分流,雨污分流,一水多用), we continuously enhance wastewater utilization and advance toward the goal of "zero wastewater discharge". In addition, we adhere to the principles of "reduction, recycling, and hazard-free disposal" and strictly manage waste in accordance with relevant laws and regulations. All our Group members are required to obtain pollutant discharge permits in compliance with local regulations and standardize wastewater treatment systems based on permit conditions and emission standards. We implement waste classification for general waste and promote comprehensive utilization through technological innovation. We conduct regular internal waste audits to ensure that waste is gradually reduced under a series of measures. We also regularly conduct management training for employees on reducing waste generation and proper disposal in compliance with relevant laws and regulations. Moreover, we continuously upgrade our equipment and facilities and have adopted advanced technologies to reduce pollutant emissions.

We actively monitor and ensure compliance with the applicable environmental laws and regulations in China. During the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable laws and regulations relating to environmental requirements in all material respects. Our costs for compliance with the applicable environmental regulations were immaterial during the Track Record Period. We do not expect there to be substantial changes to our costs for compliance with the applicable environmental regulations in the near future.

Social Responsibilities

Occupational Health and Safety

We prioritize the occupational health and safety (OHS) of every employee, meticulously analyzing OHS hazards and implementing tailored protective measures across various roles to safeguard employees' health and well-being.

We provide our employees with occupational safety education and training, covering relevant laws and regulations regarding employee health and safety, risks in relation to our businesses and operation, as well as measures to reduce relevant risks so as to enhance their awareness of safety issues. We strive to create a favorable career development path for our employees by offering them with competitive salaries and benefits, and fair promotion channels. In addition, we rigorously uphold the legal rights and interests of all of our employees and candidates in accordance with relevant laws and regulations. Moreover, we embrace diversity in experience and background and adhere to the equal employment principle, focusing on equal opportunities, diversity and anti-discrimination. Our internal policy ensures that there is no discrimination on nationality, gender, ethnicity, race, religion, and education qualifications. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material workplace accidents and were not subject to any material fines or penalties by PRC government authorities resulting from any non-compliance with applicable occupational health and work safety laws or regulations.

Sustainable Supply Chain Management

We have systematically integrated ESG principles into our supplier management framework to enhance supply chain sustainability. Our Board of Directors treats sustainable supply chain management as a strategic priority. Our suppliers are required to adhere to strict compliance standards to minimize ecological impact, including the use of materials that meet national environmental regulations and quality specifications. We incentivize eco-friendly practices by prioritizing suppliers with better environmental performance when suppliers' products/services are comparable, driving collective progress toward sustainable procurement.

In addition, we assess suppliers certifications during supplier selection process, normally taking into consideration of ISO 14001 (environmental management), ISO 45001 (occupational health and safety) and ISO 9001 (quality management). Moreover, our contracts with suppliers generally require suppliers' written commitments as to the ESG-related compliance and code of conduct on social responsibility.

Philanthropic Activities

We are committed to philanthropy and have actively contributed to charitable donations, demonstrating our corporate social responsibility. For instance, we have actively participated in social welfare initiatives, focusing on five key philanthropic areas, including "igniting wisdom (點亮智慧)", "empowering a green future (綠動未來)", "warm light public welfare (暖光公益)", "rural dream building (鄉村築夢)", and "cultural spark (文化星火)". We carry out these initiatives systematically to better fulfill our social responsibility. In addition, we have established a dedicated philanthropic task force responsible for developing annual strategic plans, monitoring project implementation and reviewing outcomes and the systematic execution of welfare initiatives. Moreover, we place a high value on community engagement, prioritizing community and public welfare issues. For instance, we maintain close communication with communities across all operating locations and actively listen to their needs to improve the quality of our services.

Anti-corruption and Anti-bribery

We prohibit any corruption, bribery, extortion, fraud and money-laundering activities. We have built a robust internal control system regarding anti-corruption and anti-bribery. To effectively monitor corruption and bribery activities, we encourage our employees, suppliers, customers and other relevant stakeholders across our business value chain to report violations and provide necessary protection for whistleblowers. During the Track Record Period and up to the Latest Practicable Date, we did not have any material corruption, bribery, extortion, fraud or money-laundering activities.

COMPETITION

According to Frost & Sullivan, the natural gas industry in China is relatively concentrated. The total retail volume of natural gas among the top five city gas companies in China has reached approximately 135.5 billion m^3 in 2024, accounting for approximately 31.7% of the total market share. Among the top five city gas companies, we are the largest privately-owned company in terms of the retail volume in 2024, and are the third largest company with market share of approximately 6.1% in 2024 in terms of such retail volume. Moreover, in terms of total sales volume of natural gas, we are the largest privately-owned natural gas company in China, with approximately 9.2% market share in 2024. In addition, the total volume of LNG under the overseas LNG long-term contracts signed by Chinese companies has reached over 120 million tons in 2024, with the top four companies accounting for 81.8% of the overall market share and the top three SOEs accounting for 73.3% of the overall market share. We are the fourth largest market player in terms of such LNG contracted volume with 8.5% of the total market share in 2024, making us the largest privately-owned company in this segment. Moreover, the integrated energy intelligent management solution industry in China is relatively fragmented, according to Frost & Sullivan. The top five companies in China's integrated energy intelligent management solutions market accounted for a total market share of approximately 19.7% in terms of revenue in 2024, among which we ranked first with approximately 10.1% of the total market share. See "Industry Overview" for more details.

We face competition from our competitors in various aspects including resource stability, usage safety and efficiency, R&D capabilities, sales and marketing activities, customer services, and price. However, we believe that we are well-positioned to excel in the competition within our industry by leveraging our competitive edge such as extensive customer base and high-quality customer relations, resilient infrastructure operations, diversified and reliable upstream resources, diverse product and service portfolio, robust R&D and digital intelligence capabilities, and our visionary management team.

SEASONALITY

During the Track Record Period, we generally derived higher revenue from our sales of natural gas in the fourth quarter of the year, primarily because our customers normally have higher demands for natural gas to generate heat in the winter. Such seasonal effect on our revenue is not significant as the gas consumption of our other major customers, such as non-residential users remain relatively stable throughout all seasons. Our integrated energy and engineering construction businesses are subject to certain seasonality, mainly due to the vast territory of China and different climate conditions of various regions in which we operate. Such seasonality is mainly attributable for the winter months during which our projects and constructions may be halted, especially for projects in northern China. We did not experience any significant seasonality for our other business and operations during the Track Record Period. Nevertheless, we may still experience cost increases or delays when conducting our business operations during particular seasons. See "Risk Factors — Risks Relating to Our Business and Industry — Our results of operations could be adversely affected by seasonality or severe weather conditions" for more details.

INFORMATION TECHNOLOGY AND DATA PROTECTION

Information Technology

We believe information technology is essential to maintain our competitive position. We utilize a number of information technology systems and platforms to manage all aspects of our operations, such as sales and marketing, production, procurement, logistics, quality control and finance and human resources. The following sets forth the major information technology systems or platforms that are material to our business and operations:

- Trading & production system, which is mainly used in the natural gas related business, covering the whole process of PNG/LNG procurement, sales and inventory management, warehousing, delivery, settlement, payment, invoice and other functions.

- Logistics management system, which is mainly used for the transportation management for LNG tanker truck, including management of driver, vehicle scheduling and safety inspection, transportation orders, monitoring, settlement and other functions.

- Intelligent production and operation system for LNG receiving terminal, which is mainly for our Zhoushan LNG Receiving Terminal to improve our capacity of digital intelligence management and achieve real-time monitoring and coordination, dynamic scheduling, and professional decision-making. Its functions primarily include terminal scheduling, loading and unloading management, shipping information tracking, inventory management, production scheduling, gasification for external transmission, and real-time monitoring.

- Customer operation system for LNG receiving terminal, which is mainly for the users of our Zhoushan LNG Receiving Terminal. Its functions mainly include ship schedule planning, loading and unloading scheduling, inventory management, storage capacity forecasting, contract management, settlement and payment.

- SAP system, which is mainly used for our natural gas and engineering construction businesses. Its functions mainly include financial management, human resources management, project management, material management, planning and budgeting, and other functions.

- Intelligent pipeline inspection system, which integrates multisource data collection (such as dedicated patrol vans, fixed CCTV units, unmanned aerial vehicles and ground robots) to capture high-resolution video and infrared imaging for our gas distribution network. Through advanced AI-powered image recognition algorithms combined with three-dimensional GIS mapping, the system automatically identifies unauthorized third-party works and detects steam or gas leaks, thereby increasing surveillance frequency, enhancing detection accuracy and reducing operational costs and safety risks.

- Unmanned station safety guard, which integrates with advanced security and IoT devices to achieve automatic detection of surrounding environments, such as fire sources, unauthorized intrusions, gas-leak events, over-/under-pressure conditions, temperature anomalies, metering discrepancies and equipment faults. All alerts will be transmitted in real time to our centralized information center, where operators may undertake remote diagnostics and control actions, thereby ensuring the uninterrupted, safe and compliant operations.

- EPC engineering digital intelligence platform, a system for the management of engineering construction projects, which covers project initiation, planning, scheduling, progress tracking, quality control, safety management and document management. By leveraging data-driven workflows and real-time dashboards, this platform enhances transparency, enforces compliance with industry best practices and improves project delivery efficiency and cost control.

During the Track Record Period and as of the Latest Practicable Date, we did not encounter from any material failures in our information technology system. However, we still face risks arising from the improper performance or malfunction of our information technology systems. See "Risk Factors — Risks Relating to Our Business and Industry — Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches" for details.

Data Security

We believe data security is critical to our business operations and we are committed to complying with all applicable laws and regulations on data security and privacy, including the Data Security Law of the PRC, the Cybersecurity Law of the PRC, the Personal Information Protection Law of the PRC and other applicable laws and regulations in the markets where we operate. See "Regulatory Overview" for details. Meanwhile, we have implemented a suite of policies and protocols to safeguard data generated or collected during our operations and to ensure our compliance with data-related laws and regulations.

During the course of our operations and business, we may collect, process and store various types of data concerning our customers, suppliers and other business partners. To the extent we collect personal information during the course of our operations, we take measures to ensure that such information are collected after obtaining prior consent or with rational legal basis. In addition, we strictly adhere to the minimum principle to collect the minimal amount of data and information only when it is necessary. With respect to the data management, we have established relevant policies and protocols for data storage, classification and access. Only employees who are properly authorized can access and obtain designated data and information based on operational needs. Moreover, we also impose confidentiality obligations on employees in documents such as employment contracts and employee handbooks, prohibiting the improper use and disclosure of data they collect and encounter during the course of their work.

As a result of our internal control and compliance efforts, no material weakness or deficiency has been identified in our data security measures and our business operations are in compliance with all current data security laws and regulations in all material aspects. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of user data in places where we have operations.

EMPLOYEES

As at December 31, 2024, we had a total of 39,365 employees worldwide, among whom 39,346 were located in mainland China and the remaining 19 were located outside mainland China. The following table sets forth a breakdown of our employees by function as of December 31, 2024.

Function	Number of employees	% of total
Production	23,929	60.8%
Technology and R&D	7,849	19.9%
Sales	2,487	6.3%
Finance	2,389	6.1%
Administration	2,711	6.9%
Total	**39,365**	**100.0%**

We have policies on compensation and dismissal, equal opportunities, diversity and anti-discrimination. According to our policy, we recruit, train, remunerate and promote employees regardless of their ethnicity, religion or gender. We review the relevant internal policies and procedures for recruitment, training, appraisals, promotion and dismissal of our employees from time to time to ensure our existing and potential employees are treated in fair and equal manners. We offer employees competitive salaries, benefits, performance-based bonuses, as well as ongoing training and development opportunities. Salaries for our full-time employees typically consist of base salary, short-term bonuses and/or other allowances and subsidies. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business. In addition, we participate in various employee social security plans for our employees that are administered by the local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. Moreover, sharing our successes and value with our employees is a key aspect of our corporate culture. During the Track Record Period, we have granted and plan to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development. Furthermore, guided by the "people-oriented, safety first" principle, we prioritize the occupational health and safety of all employees, contractors, and member companies. We have established goals for safety management enhancement and continually monitor the occupational health and safety of our employees. See "— Environmental, Social and Governance — Occupational Health and Safety" for more details.

We have established an employee union in accordance with PRC laws and regulations. We have not had any strikes or other labor disturbances that have interfered with our operations, and we believe that we have maintained a good working relationship with our employees.

INSURANCE

We maintain various insurance policies in accordance with relevant legal and regulatory requirements as well as our overall assessment of our operational needs and industry practice. During the Track Record Period and as of the Latest Practicable Date, our insurance policies primarily include property insurance, machinery breakdown insurance and safety production liability insurance. Our property insurance typically covers all risks of physical loss, destruction or damage to our properties such as fixed assets, inventories and construction in progress. In addition, we have also purchased machinery breakdown insurance for our machinery, equipment and infrastructure. Moreover, we have purchased safety production liability insurance, which comprises public liability insurance (covering third-party bodily injury and fatalities), employer's liability insurance (protection against production-related deaths, disabilities, and medical expenses). With the expansion of our business and the potential risks that we may be exposed to in the future, we may adjust our current insurance policies and procure more insurance as our Directors deem appropriate and necessary. We have not made any material claims under our insurance policies and have not experienced any material business interruptions during the Track Record Period and as of the Latest Practicable Date. We believe that our insurance coverage is adequate and in line with the industry practice in the places where we conduct our business. However, the insurance may not be able to cover all potential injuries to our facilities, equipment, infrastructure, death or losses due to fire, earthquake, flood or any other disasters. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be insufficient to cover all associated risks of loss" for more details.

AWARDS AND RECOGNITION

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date.

Awards/Recognitions	Award year	Awarding institution(s)/ authority(ies)
Fortune China ESG Impact List (《財富》中國ESG影響力榜)	2025	Fortune
Selected into the S&P Global 2025 Sustainable Development Yearbook (China Edition) (入選標普全球《可持續發展年鑑(中國版)2025》)	2025	S&P Global
Special Contribution Award for Corporate Governance	2024	Directors & Boards
Top 100 joint stock companies in Beijing-Tianjin-Hebei region (京津冀企業百強股份)	2023-2024	Beijing Enterprises Confederation, Tianjin Enterprises Confederation, Hebei Enterprises Confederation, etc.
China top 500 enterprises (中國企業500強)	2022-2023	China Enterprise Confederation, China Entrepreneurs Association

Awards/Recognitions	Award year	Awarding institution(s)/ authority(ies)
Selected into the Hang Seng Sustainability Enterprise Index	2022-2023	Hang Seng Index
Fortune China Top 500	2022	Fortune
Hong Kong ESG Reporting Awards (HERA) – Outstanding ESG Progress Award & Emerging ESG Leader Award (香港ESG報告大獎(HERA) – 傑出ESG進步獎 & 優秀新力軍獎)	2022	Environmental Protection Department, Financial Services Development Council, and Invest Hong Kong of the Hong Kong SAR Government
Top 100 Energy Companies (標普全球普氏能源公司百強榜)	2022	S&P Global
Top 100 Listed Companies in terms of Value on the Main Board (上市公司主板價值100強)	2022	Securities Times

Following the [**REDACTED**] and the Privatization, the transactions between members of our Group and our connected persons will constitute connected transactions of our Company under Chapter 14A of the Listing Rules.

As our A Shares are listed on the Shanghai Stock Exchange, we will continue to be subject to and regulated by the SSE Listing Rules and other applicable laws and regulations in the PRC so far as our A Shares remain listed. The requirements of the Hong Kong Listing Rules in relation to connected transactions are different from those of the SSE Listing Rules. In particular, the definition of connected person under the Hong Kong Listing Rules is different from the definition of related party under the SSE Listing Rules. Therefore, a connected transaction under the Hong Kong Listing Rules may or may not constitute a related party transaction under the SSE Listing Rules, and vice versa.

CONNECTED PERSONS

The table below sets forth the connected persons of our Company involved in continuing connected transactions upon the [**REDACTED**] of the [**REDACTED**] and the nature of their connection with our Company:

Connected Persons	Connected Relationship
Langfang Natural Gas and its associates. .	Langfang Natural Gas is our Controlling Shareholder and hence a connected person of our Company according to Rule 14A.07(1) of the Listing Rules.
ENN Group Co.	ENN Group Co is our Controlling Shareholder and hence a connected person of our Company according to Rule 14A.07(1) of the Listing Rules.
Shanghai 3040 Technology Company Limited (上海叁零肆零科技有限公司) ("**Shanghai 3040**") and its subsidiaries.	Shanghai 3040 is owned by Mr. WANG Zizheng, our non-executive Director, as to 99%. Therefore, Shanghai 3040 is an associate of Mr. WANG Zizheng and a connected person of our Company according to Rule 14A.12(1)(c) and Rule 14A.07(1)(4) of the Listing Rules.

Connected Persons	Connected Relationship
Prism Energy International Zhoushan Limited (福睿斯(舟山)清潔能源有限公司) ("**Prism Zhoushan**")	Prism Zhoushan is an indirect wholly-owned subsidiary of SK Innovation Co., Ltd. (stock code: 096770.KS), which in turn is the sole shareholder of Prism Energy International Pte. Ltd. Prism Energy International Pte. Ltd. is a substantial shareholder of ENN Zhoushan and hence a connected person of our Company at the subsidiary level according to Rule 14A.07(1) of the Listing Rules. Therefore, Prism Zhoushan, being an associate of Prism Energy International Pte. Ltd., is a connected person of our Company at the subsidiary level according to Rule 14A.07(4) of the Listing Rules.

Upon the [**REDACTED**], certain transactions between our Group and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Nature of Transaction	Applicable Listing Rules	Waiver Sought
Fully exempt continuing connected transactions			
1 . . .	Trademark licensing	14A.76(1)(a)	Exempted
2 . . .	Sales of gas and other goods	14A.76(1)(a)	Exempted
3 . . .	Procurement of engineering and construction services	14A.76(1)(a)	Exempted
4 . . .	Natural gas pipeline transmission services	14A.52, 14A.76(1)(b)	Exempted
5 . . .	LNG Receiving Terminal Services	14A.52, 14A.76(1)(b)	Exempted
Partially-exempt continuing connected transactions			
1 . . .	Design and Construction Services and Sale of Materials and Supplies	14A.76(2)(a)	Waiver from announcement requirement
2 . . .	Provision of Technical and Integrated Services	14A.76(2)(a)	Waiver from announcement requirement

No.	Nature of Transaction	Applicable Listing Rules	Waiver Sought
3 . . .	Provision of Finance Lease and Commercial Factoring	14A.76(2)(a)	Waiver from announcement requirement
4 . . .	Purchase of Equipment and Materials	14A.76(2)(a)	Waiver from announcement requirement
5 . . .	Procurement of Technical and Integrated Services	14A.76(2)(a)	Waiver from announcement requirement

FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

We [have entered] into the following transactions with our connected persons on normal commercial terms, which will continue after the [**REDACTED**] of the [**REDACTED**]:

(1) Trademark Licensing: we entered into a licensing agreement ("**Trademark License Agreement**") with ENN Group Co on [●], pursuant to which ENN Group Co agreed to grant us the right to use certain registered trademarks of ENN Group Co (the "**Licensed Trademarks**") for our business and operations on non-exclusive and royalty-free basis. The term of the Trademark License Agreement will commence on the [**REDACTED**] and end on December 31, 2027. Our right to use such Licenced Trademarks under the Trademark License Agreement ceases when the registration period of such Licensed Trademarks expires and is not renewed by ENN Group Co. ENN Group Co undertook that it shall renew the registration of the Licensed Trademarks in a timely manner. ENN Group Co is our Controlling Shareholder and our Group has used the Licensed Trademarks for several years (including during the Track Record Period) on a royalty-free basis and has received market recognition. We believe that to continue to use the Licensed Trademarks after the [**REDACTED**] of the [**REDACTED**] is in the best interests of our Group and the Shareholders as a whole.

(2) Sales of Gas and Other Goods: we entered into agreements from time to time for sales of natural gas and other goods to Langfang Natural Gas and its associates on a non-exclusive basis. Prices payable by Langfang Natural Gas and its associates for purchasing natural gas are determined on the basis of normal commercial terms with reference to the government's guidance price or relevant public market price, such as the quoted price by other LNG terminals nearby and the public market price obtained from gas websites widely accepted in the PRC. Prices of other goods supplied by our Group shall be on terms no less favorable to our Group than those prevailing in the PRC market for goods of the same or comparable type, nature and quality and at similar time as well as those offered by our Group to Independent Third Parties. The exact prices charged by us and the time for payment will be determined at arm's length basis between the parties when entering into the separate underlying agreements.

(3) Procurement of Engineering and Construction Services: we entered into agreements from time to time for procurement of certain engineering and construction services for our integrated energy solutions and security and intelligent digitalization products and solutions. etc. from Langfang Natural Gas and its associates on a non-exclusive basis. The fees payable by the Group to Langfang Natural Gas and its associates shall be on normal commercial terms and shall be determined on arm's length basis, with reference to factors including where relevant and appropriate, (i) the price quotes for services of the same or comparable type, nature and quality and at similar time in the PRC market, and with respect to certain tailor-made services provided by the connected persons where there is limited supply of the same or comparable type of services offered by Independent Third Parties in the market, the degree of tailor-made and specifications required of such services; (ii) the relevant costs incurred by the relevant supplier in rendering such services, including labor cost and administrative expenses; and/or (iii) the prices of services of the same or comparable type, nature and quality and at similar time offered by the connected persons to Independent Third Parties. The exact fees charged by the connected persons and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying agreements.

(4) Natural gas pipeline transmission services: ENN (Zhoushan) Natural Gas Pipeline Co., Ltd. (新奥(舟山)天然氣管道有限公司), our subsidiary, entered into an agreement with Prism Zhoushan on July 25, 2022, pursuant to which ENN (Zhoushan) Natural Gas Pipeline Co., Ltd. agreed to provide natural gas pipeline transmission services to Prism Zhoushan. The fees for the natural gas pipeline transmission services was determined after arm's length negotiations between the parties, with reference to, among others, the transmission fees in the same industry and with any applicable pricing guidance issued by relevant governmental authority from time to time, and are on terms no less favourable to our Group than those offered by our Group to Independent Third Parties. The term of such agreement will end on July 30, 2030. We are of the view that entering into such agreement with a duration of over three years is in line with the normal business practice for agreements of this type, will promote the stability of operations and is beneficial to the Shareholders as a whole. The Sole Sponsor is of the view that it is normal business practice for this type of agreement to be longer than three years.

(5) LNG Receiving Terminal Services: ENN Zhoushan entered into an LNG receiving terminal usage agreement with Prism Zhoushan on April 24, 2020, pursuant to which ENN Zhoushan has agreed to provide services (including unloading, storage, processing (such as regasification), and transmission of LNG) through the Zhoushan LNG Receiving Terminal to Prism Zhoushan for a term of 10 years. The annual usage fees shall be calculated by multiplying the planned LNG offtake volume (in m^3) with a fixed unit usage fee (in RMB/m^3) determined after arm's length negotiations between the parties. Such fees are on normal commercial terms, or on terms no less favourable to our Group than those offered by our Group to Independent Third Parties and in accordance with any applicable pricing guidance

issued by relevant governmental authority from time to time. We are of the view that entering into such agreement with a duration of over three years is appropriate and necessary on the basis that the long-term approach of such agreement is in line with the general practice of the industry and comparable contractual arrangements by other industry players. In order to secure the stable supply of natural gas, it is usual for gas buyer to enter into long-term terminal usage agreements, which usually requires a minimum quantity of gas to be purchased by the gas buyer each year. The durations of these terminal usage agreements usually range from 5 to 10 years. LNG terminal services in China is necessary for gas buyer in China to import LNG in the long run. Hence, gas buyers usually want to secure LNG terminal slots to fulfill its procurement commitment under the aforesaid long-term terminal usage agreements. The transactions under the aforementioned agreement allows us to secure stable revenue and cash flows generated from the Zhoushan LNG Receiving Terminal for a long term. The Sole Sponsor is of the view that it is normal business practice for this type of agreement to be longer than three years.

As the highest applicable percentage ratios (other than the profits ratio) for the purpose of Chapter 14A of the Listing Rules for each of the above-mentioned transactions, which are conducted on normal commercial terms or better to our Group, will not exceed 0.1% on an annual basis (for (1) trademark licensing, (2) sales of gas and other goods, and (3) procurement of engineering and construction services) and will not exceed 1% on an annual basis (for (4) natural gas pipeline transmission services and (5) LNG Receiving Terminal Services, which constitute connected transactions only because they involved connected person at the subsidiary level), each of such transactions falls within the de minimis threshold under Rule 14A.76(1) of the Hong Kong Listing Rules and is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have [entered into] the following agreements with the relevant connected persons, which are on normal commercial terms or better and are expected to continue after the [**REDACTED**] of the [**REDACTED**]. Our Directors currently expect that the highest applicable percentage ratio (other than the profits ratio) of these transactions calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis. Under Rule 14A.76(2)(a) of the Listing Rules, these transactions will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules but will be exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules:

1. Design and Construction Services and Sale of Materials and Supplies

Parties

(i) our Company (as services provider and supplier); and

(ii) Langfang Natural Gas (as services receiver and purchaser).

Principal terms

We [entered into] a framework Agreement (the "**Design and Construction Services and Materials and Supplies Sale Framework Agreement**") with Langfang Natural Gas on [●], [**REDACTED**], under which our Group has agreed to provide engineering design and construction services and supply certain materials and supplies (the "**Design and Construction Services and Materials and Supplies Sale**") to Langfang Natural Gas and its associates in relation to its/ their certain projects on a non-exclusive basis from time to time.

The Design and Construction Services and Materials and Supplies Sale Framework Agreement is valid for a term commencing from the [**REDACTED**] to December 31, 2026. Our Group has an option, in its entire discretion, to renew the Design and Construction Services and Materials and Supplies Sale Framework Agreement upon expiry (subject to adjustment of fees and/or prices where necessary) for further terms of three years (subject to any requirements under the Listing Rules). Langfang Natural Gas does not have reciprocal rights to renew under the Design and Construction Services and Materials and Supplies Sale Framework Agreement. The parties and their respective subsidiaries or associates will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Design and Construction Services and Materials and Supplies Sale Framework Agreement.

Pricing policy

Services provided by our Group to its connected persons pursuant to the Design and Construction Services and Materials and Supplies Sale Framework Agreement shall be provided on terms no less favorable to our Group than those prevailing in the PRC market for the services of the same or comparable type, nature and quality and at similar time, and with reference to market prices or normal commercial terms of this type of transactions with Independent Third Parties. In determining the prevailing market price, our Group will collect the relevant market information, review and compare the transactions conducted or quotes of the same or similar type and quality entered into between the Independent Third Parties and our Group. The exact service fees charged by us and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying contracts according to the principles provided in the Design and Construction Services and Materials and Supplies Sale Framework Agreement.

The prices of sales for the materials and supplies by our Group to its connected persons pursuant to the Design and Construction Services and Materials and Supplies Sale Framework Agreement shall be on terms no less favorable to our Group than those prevailing in the PRC market for materials and supplies of the same or comparable type, nature and quality and at similar time as well as those offered by our Group to Independent Third Parties. In determining the prevailing market price, our Group will collect the relevant market information and compare the transactions conducted or quotes of the same or comparable type, nature and quality entered into between the Independent Third Parties and our Group. The exact sales prices charged by us and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying contracts according to the principles provided in the Design and Construction Services and Materials and Supplies Sale Framework Agreement.

Historical amount

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

For the year ended December 31 (RMB million)		
2022	**2023**	**2024**
64	42	49

Annual caps

The maximum aggregate annual transaction amounts under the Design and Construction Services and Materials and Supplies Sale Framework Agreement for the two years ending December 31, 2026 shall not exceed the caps set out below:

Proposed annual caps for the year ending December 31 (RMB million)	
2025	**2026**
90	108

Basis of caps

When determining the above proposed annual caps, our Directors have taken into consideration the following factors:

(i) the historical amounts of the transactions during the Track Record Period;

(ii) the existing contract value and the expected demand for the Design and Construction Services and Materials and Supplies by the relevant connected persons for the two years ending December 31, 2026; and

(iii) other factors including but not limited to the expected increase in costs and expense relating to raw materials, labour and others.

2. *Provision of Technical and Integrated Services*

Parties

(i) our Company (as services provider); and

(ii) Langfang Natural Gas (as services receiver).

Principal terms

We [entered into] a technical and integrated services framework agreement (the "**Technical and Integrated Services Framework Agreement**") with Langfang Natural Gas on [●], [**REDACTED**], under which our Group has agreed to provide various technical and integrated services (including gas safety and hazard and damage prevention services, our integrated energy solutions, sales services and property rental, etc.) to Langfang Natural Gas and its associates on a non-exclusive basis from time to time.

The Technical and Integrated Services Framework Agreement is valid for a term commencing from the [**REDACTED**] to December 31, 2026. Our Group has an option, in its entire discretion, to renew the Technical and Integrated Services Framework Agreement upon expiry (subject to adjustment of fees where necessary) for further terms of three years (subject to any requirement under the Listing Rules). Langfang Natural Gas does not have reciprocal rights to renew under the Technical and Integrated Services Framework Agreement. The parties and their respective subsidiaries or associates will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Provision of Technical and Integrated Services Framework Agreement.

Pricing policy

Services provided by our Group to its connected persons pursuant to the Technical and Integrated Services Framework Agreement shall be provided on terms no less favorable to our Group than those prevailing in the PRC market for the services of the same or comparable type, nature and quality and at similar time, with reference to market prices or normal commercial terms of this type of transactions with Independent Third Parties. In determining the prevailing market price, our Group will collect the relevant market information, review and compare the transactions conducted or quotes of the same or similar type and quality entered into between the Independent Third Parties and our Group. The exact service fees charged by us and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying contracts according to the principles provided in the Technical and Integrated Services Framework Agreement.

Historical amount

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

For the year ended December 31 (RMB million)		
2022	**2023**	**2024**
190	206	280

Annual caps

The maximum aggregate annual transaction amounts under the Technical and Integrated Services Framework Agreement for the two years ending December 31, 2026 shall not exceed the caps set out below:

Proposed annual caps for the year ending December 31 (RMB million)	
2025	**2026**
458	243

Basis of caps

When determining the above proposed annual caps, our Directors have taken into consideration the following factors:

(i) the historical amounts of the transactions during the Track Record Period;

(ii) the existing contract value and the expected demand for technical and integrated services by the relevant connected persons to meet up with their operation needs for the two years ending December 31, 2026; and

(iii) other factors including but not limited to the expected increase in costs and expense relating to raw materials, labour and others.

3. Provision of Finance Lease and Commercial Factoring

Parties

(i) our Company (as services provider);

(ii) Langfang Natural Gas (as services receiver); and

(iii) Shanghai 3040 (as services receiver).

Principal terms

We [entered into] a finance lease and commercial factoring framework agreement (the "**Finance Lease and Commercial Factoring Framework Agreement**") with Langfang Natural Gas and Shanghai 3040 on [●], [**REDACTED**], under which we have agreed to procure our relevant subsidiaries to provide finance lease services and commercial factoring services to Langfang Natural Gas and its associates and Shanghai 3040 and its subsidiaries on a non-exclusive basis from time to time respectively.

The Finance Lease and Commercial Factoring Framework Agreement is valid for a term commencing from the [**REDACTED**] to December 31, 2026. We have an option, in our entire discretion, to renew the Provision of Finance Lease and Commercial Factoring Framework Agreement upon expiry (subject to adjustment of fees where necessary) for further terms of three years (subject to any requirement under the Listing Rules). Each of Langfang Natural Gas and Shanghai 3040 does not have reciprocal rights to renew under the Finance Lease and Commercial Factoring Framework Agreement. The parties and their respective subsidiaries or associates will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Finance Lease and Commercial Factoring Framework Agreement.

Pricing policy

Rent of finance lease services shall be fair and reasonable and determined after arm's length negotiations between us and the relevant connected persons and may be fixed or variable with reference to factors including the loan prime rate ("**LPR**") as announced by the National Interbank Funding Center of the People's Bank of China (中國人民銀行全國銀行間同業拆借中心). The principal amount shall be determined after arm's length negotiations between us and the relevant connected persons taking into account the prevailing market price, the net carrying amount or the valuation of the leased assets. The return rate, which is calculated with reference to the total finance lease payments to be received by us, shall be at a rate not less favorable than that offered to Independent Third Parties for comparable finance lease transactions and shall also not be less than the cost of financing incurred by us. The expected profit margin from the transactions contemplated under the underlying agreements will be comparable to those from finance lease transactions between us and Independent Third Parties.

Interests on commercial factoring services shall be fair and reasonable and determined after arm's length negotiations between us and the relevant connected persons by reference to factors including the LPR as announced by the National Interbank Funding Center of the People's Bank of China, the credit risk of the relevant connected persons (which, among other factors, is to be assessed based on the repayment history of the relevant connected persons), the trend of the market interest rate, the interest rate cap of corporate lending under the applicable PRC laws and the Group's funding cost as affected by the financial market liquidity, and such interests as determined may be fixed or varlable. The interests on commercial factoring services shall not be less favourable to us as compared to the terms of comparable transactions (in terms of similar credit risk and term) to be entered into by us with Independent Third Parties.

The exact pricing terms and the time for payment will be determined at arm's length basis between the parties when entering into underlying agreements according to the principles provided in the Finance Lease and Commercial Factoring Framework Agreement.

Historical amount

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

For the year ended December 31 (RMB million)		
2022	**2023**	**2024**
37	138	22

Annual caps

The maximum aggregate annual transaction amounts under the Finance Lease and Commercial Factoring Framework Agreement for the two years ending December 31, 2026 shall not exceed the caps set out below:

Proposed annual caps for the year ending December 31 (RMB million)	
2025	**2026**
100	160

Basis of caps

When determining the above proposed annual caps, our Directors have taken into consideration the following factors:

(i) the historical amounts of the transactions during the Track Record Period;

(ii) the outstanding principal, rent receivable and interest receivable amount expected to be received by us from the relevant connected persons under the existing finance lease and commercial factoring services agreements;

(iii) the estimated amounts to be utilized by the connected persons pursuant to the separate underlying agreements to be entered into for prospective finance lease and commercial factoring services based on the current estimations of the future market environment and the financing needs of the connected persons;

(iv) the provision of a certain buffer to cater for the potential increase in the demand for the finance lease and commercial factoring services by the connected persons;

(v) the current financing market conditions, including the interest rates and fees arrangement and level of similar services provided by Independent Third Parties, and the potential adjustments to be made by the People's Bank of China to the LPR(s) in the future; and

(vi) other factors including but not limited to the potential risk exposure to us should the relevant connected persons were unable to make timely repayments.

4. Purchase of Equipment and Materials

Parties

(i) our Company (as purchaser);

(ii) Langfang Natural Gas (as supplier); and

(iii) Shanghai 3040 (as supplier).

Principal terms

We [entered into] an equipment and materials purchase framework agreement (the "**Equipment and Materials Purchase Framework Agreement**") with Langfang Natural Gas and Shanghai 3040 on [●], [**REDACTED**], under which our Group has agreed to purchase equipment and materials (including certain IT and AI equipment such as IoT intelligent remote monitoring terminal, well-chamber gas monitoring terminal, and combustible gas leakage monitoring terminal, etc.) (the "**Equipment and Materials to be Acquired**") from Langfang Natural Gas and its associates and Shanghai 3040 and its subsidiaries on a non-exclusive basis from time to time.

The Equipment and Materials Purchase Framework Agreement is valid for a term commencing from the [**REDACTED**] to December 31, 2026. Our Company has an option, in its entire discretion, to renew the Equipment and Materials Purchase Framework Agreement upon expiry (subject to adjustment of prices where necessary) for further terms of three years (subject to any requirement under the Listing Rules). Each of Langfang Natural Gas and Shanghai 3040 does not have reciprocal rights to renew under the Equipment and Materials Purchase Framework Agreement. The parties and their respective subsidiaries or associates will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Equipment and Materials Purchase Framework Agreement.

Pricing policy

The price of equipment and materials to be acquired by our Group from its connected persons pursuant to the Equipment and Materials Purchase Framework Agreement shall be determined on arm's length basis, with reference to factors including where relevant and appropriate, (i) the price quotes for goods of the same or comparable type, nature and quality and at similar time in the PRC market, and with respect to certain tailor-made products provided by the connected persons where there is limited supply of the same or comparable type of products offered by the Independent Third Parties in the market, the degree of tailor-made and specifications required of such products; (ii) where relevant and appropriate, the relevant costs incurred by the relevant supplier in rendering such goods, including labor cost and administrative expenses; and/or (iii) the prices of goods of the same or comparable type, nature and quality and at similar time offered by the connected persons to the Independent Third Parties. In determining the prevailing market price, our Group will collect the relevant market information and compare the transactions conducted or quotes of the same or comparable type, nature and quality entered into between the Independent Third Parties and our

Group. The exact sales prices charged by the connected persons and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying contracts according to the principles provided in the Equipment and Materials Purchase Framework Agreement.

Historical amount

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

For the year ended December 31 (RMB million)		
2022*(Note)*	**2023*(Note)***	**2024*(Note)***
128	183	250

Note:

(i) The historical transaction amounts for the abovementioned transactions during the Track Record Period include the transaction amounts for gas related products acquired by the Group from its connected persons. Due to change in the actual circumstances in the business operation of the Group, it is expected that the Group will not acquire any gas related products from its connected persons in the two years ending December 31, 2026.

Annual caps

The maximum aggregate annual transaction amounts under the Equipment and Materials Purchase Framework Agreement for the two years ending December 31, 2026 shall not exceed the caps set out below:

Proposed annual caps for the year ending December 31 (RMB million)	
2025	**2026**
392	432

Basis of caps

When determining the above proposed annual caps, our Directors have taken into consideration the following factors:

(i) the historical amounts of the transactions during the Track Record Period;

(ii) the existing contract value and the expected demand for the Equipment and Materials to be Acquired by our Group to meet our operational needs for the two years ending December 31, 2026; and

(iii) the business development of our Group.

5. *Procurement of Technical and Integrated Services*

Parties

(i) our Company (as services receiver);

(ii) Langfang Natural Gas (as services provider); and

(iii) Shanghai 3040 (as services provider).

Principal terms

We [entered into] a technical and integrated services framework Agreement (the "**Technical and Integrated Services Procurement Framework Agreement**") with Langfang Natural Gas and Shanghai 3040 on [●], [**REDACTED**], under which our Group has agreed to acquire various technical and integrated services (such as certain IT and AI services, project management, administrative services, outsourcing, property management, property leasing and other services) (the "**Technical and Integrated Services to be Acquired**") from Langfang Natural Gas and its associates and Shanghai 3040 and its subsidiaries on a non-exclusive basis from time to time.

The Technical and Integrated Services Procurement Framework Agreement is valid for a term commencing from the [**REDACTED**] to December 31, 2026. Our Group has an option, in its entire discretion, to renew the Technical and Integrated Services Procurement Framework Agreement upon expiry (subject to adjustment of fees where necessary) for further terms of three years (subject to any requirement under the Listing Rules). Each of Langfang Natural Gas and Shanghai 3040 does not have reciprocal rights to renew under the Technical and Integrated Services Procurement Framework Agreement. The parties and their respective subsidiaries or associates will enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Technical and Integrated Services Procurement Framework Agreement.

Pricing policy

The fees for services acquired from the connected persons pursuant to the Technical and Integrated Services Procurement Framework Agreement shall be determined on arm's length basis, with reference to factors including where relevant and appropriate, (i) the price quotes for services of the same or comparable type, nature and quality and at similar time in the PRC market, and with respect to certain tailor-made services provided by the connected persons where there is limited supply of the same or comparable type of services offered by Independent Third Parties in the market, the degree of tailor-made and specifications required of such services; (ii) where relevant and appropriate, the relevant costs incurred by the relevant supplier in rendering such services, including labor cost and administrative expenses; and/or (iii) the prices of services of the same or comparable type, nature and quality and at similar time offered by the connected persons to Independent Third Parties. In determining the prevailing market price, our Group will collect the relevant market information and compare the transactions conducted or quotes of the same or comparable type, nature and quality entered into between the Independent Third Parties and our Group. The exact fees charged by the connected persons and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying contracts according to the principles provided in the Technical and Integrated Services Procurement Framework Agreement.

Historical amount

Set out below are the historical transaction amounts for the abovementioned transactions during the Track Record Period:

For the year ended December 31 (RMB million)		
2022	**2023**	**2024**
610	560	541

Annual caps

The maximum aggregate annual transaction amounts under the Technical and Integrated Services Procurement Framework Agreement for the two years ending December 31, 2026 shall not exceed the caps set out below:

Proposed annual caps for the year ending December 31 (RMB million)	
2025	**2026**
909	954

Basis of caps

When determining the above proposed annual caps, our Directors have taken into consideration the following factors:

(i) the historical amounts of the transactions during the Track Record Period;

(ii) the existing contract value and the expected demand for the Technical and Integrated Services to be Acquired by our Group to meet our operational needs for the two years ending December 31, 2026; and

(iii) the business development of our Group.

Reasons for the Partially-exempt Continuing Connected Transactions

We have an integrated upstream and downstream business portfolio in clean energy industry and we primarily operate a vertically integrated business model along and across the entire natural gas value chain. We primarily generate revenue from our six major business segments during the Track Record Period: (i) the natural gas sales; (ii) the integrated energy business; (iii) the value-added business; (iv) the engineering construction and installation; (v) infrastructure operations; and (vi) the energy production. See "Business — Our Business" in this Document for details. Through providing (i) engineering design and construction services and certain materials and supplies and (ii) the technical and integrated services to the relevant connected persons as set out above, the Group will be able to develop its relevant advantages, to generate additional income, and to achieve maximization of the value of its assets. Also, the Group is familiar with business process and needs, quality standards and operational requirements of its connected persons as a result of previous business dealings and hence is able to effectively satisfy the demands of connected persons for the relevant services and goods. Our Directors believe that maintaining a stable and quality business relationship with the relevant connected persons will facilitate our current and future business operations and is in the interests of our Group and the Shareholders as a whole.

As certain subsidiaries of our Group are principally engaged in the business of provision of trade financing, the provision of finance lease and commercial factoring services to the relevant connected persons enables the Group to develop such trade financing business. Moreover, we have established entrusted business relationship with the relevant connected persons on the provision of finance lease and commercial factoring services contemplated under existing contracts with such connected persons. In view of the past business dealings, the provision of finance lease and commercial factoring services allows us to secure stable revenue income and cashflow stream from the provision of such services.

Historically, our Group acquired certain equipment and materials and technical and integrated services from the relevant connected persons for its business operation. The Group believes it is commercially desirable for us to continue to acquire equipment and materials and technical and integrated services from the relevant connected persons due to the following reasons: (i) mutual trust has been established through previous cooperation; (ii) the relevant connected persons are familiar with business process and needs, quality standards and operational requirements of our Group as a result of previous business dealings; and (iii) the price and terms offered by them are fair and reasonable and no less favorable than those offered by Independent Third Party to our Group.

In addition, these partially-exempt continuing connected transactions are conducted in the ordinary and usual course of business of the Group. Such transactions with our connected persons enhance the operational efficiency of the Group and allows us to enjoy the developed resources of our connected persons.

WAIVERS FROM THE STOCK EXCHANGE

By virtue of Rule 14A.76(2) of the Listing Rules, each of the transactions under the sub-section "— Partially-Exempt Continuing Connected Transactions" above will constitute connected transactions which are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

As the above partially-exempt continuing connected transactions are expected to continue on a recurring and continuing basis, our Directors consider that compliance with the above announcement requirements would be impractical, would add unnecessary administrative costs to us and would be unduly burdensome to us.

Accordingly, we have applied to the Stock Exchange for[, and the Stock Exchange has granted,] a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement requirements in respect of the above partially-exempt continuing connected transactions. In addition, we confirm that we will comply with the Listing Rules in relation to the discloseable and partially-exempt continuing connected transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, our Company will take immediate steps to ensure compliance with such new requirements within a reasonable time.

CONFIRMATION FROM THE DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that: (i) the continuing connected transactions set out above have been and will be entered into in our ordinary and usual course of business on normal commercial terms or better, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor is of the view that (i) each of the continuing connected transactions set out above has been and will be entered into in the ordinary and usual course of business of the Group on normal commercial terms or better, and is fair and reasonable and in the interests of the Company and its Shareholders as a whole and (ii) the proposed annual caps for these transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

The Board consists of eleven Directors, including six executive Directors, one non-executive Director and four independent non-executive Directors. The following table sets out certain information in respect of our Directors:

Name	Age	Date of joining the Company	Date of appointment as a Director	Position upon [REDACTED]	Roles and responsibilities
Mr. JIANG Chenghong (蔣承宏).	50	March 2019	November 2020	Executive Director, chairman of the Board and joint chief executive officer	Formulation of strategic plans of the Group, leading the implementation of major strategic projects and capital operation projects, and promoting synergistic development across the business chain of the Group
Mr. YU Jianchao (于建潮).	56	January 2017	February 2017	Executive Director and vice chairman of the Board	Overall strategic planning, management and business development of the Group, co-ordinating the promotion and implementation of major capital operations and the prevention and control of major risks of the Company
Mr. HAN Jishen (韓繼深).	60	September 2020	September 2020	Executive Director and joint chief executive officer	Implementation and evaluation of major strategic projects and the prevention and control of major risks of the Group
Mr. ZHANG Yuying (張宇迎).	52	December 2020	December 2023	Executive Director and president	Management of the day-to-day operations, promotion of strategic goals, enhancement of security capabilities and digital transformation, organization of workforce and internal resources in furtherance of external strategic cooperations of the Group
Mr. WANG Yusuo (王玉鎖)[1]	61	November 2008	November 2008	Executive Director	Overall strategic planning and development of the Group

Name	Age	Date of joining the Company	Date of appointment as a Director	Position upon [REDACTED]	Roles and responsibilities
Ms. ZHANG Jin (張瑾)	51	March 2019	November 2020	Executive Director	Management and business development of the Group
Mr. WANG Zizheng (王子峥)[1]	36	June 2018	June 2018	Non-executive Director	Participating in evaluation of business plans and strategies of the Group and providing professional judgment to the Board
Mr. WONG Tin Chak (王天澤) .	60	May 2025	May 2025	Independent non-executive Director	Supervising and providing independent judgment to the Board
Mr. ZHANG Yu (張余)	67	November 2020	November 2020	Independent non-executive Director	Supervising and providing independent judgment to the Board
Ms. WANG Chunmei (王春梅).	61	July 2022	July 2022	Independent non-executive Director	Supervising and providing independent judgment to the Board
Mr. CHU Yuansheng (初源盛).	62	July 2022	July 2022	Independent non-executive Director	Supervising and providing independent judgment to the Board

Notes:

1. Mr. WANG Yusuo (王玉鎖) is the father of Mr. WANG Zizheng (王子峥).

Our senior management is responsible for the day-to-day management of our business. The following table sets out certain information in respect of our senior management members:

Name	Age	Date of joining the Company	Date of appointment as senior management of the Company	Position upon [REDACTED]	Roles and responsibilities
Mr. JIANG Chenghong (蔣承宏).	50	March 2019	December 2023	Executive Director, chairman of the Board and joint chief executive officer	Formulation of strategic plans of the Group, leading the implementation of major strategic projects and capital operation projects, and promoting synergistic development across the business chain of the Group
Mr. HAN Jishen (韓繼深).	60	September 2020	September 2020	Executive Director and joint chief executive officer	Implementation and evaluation of major strategic projects and the prevention and control of major risks of the Group
Mr. ZHANG Yuying (張宇迎).	52	December 2020	December 2023	Executive Director and president	Management of the day-to-day operations, promotion of strategic goals, enhancement of security capabilities and digital transformation, organization of workforce and internal resources in furtherance of external strategic cooperations of the Group
Ms. SU Li (蘇莉)	53	December 2020	December 2021	Executive vice president	Achieving strategic objectives of, and monitoring the execution and rectification of critical initiatives for, the natural gas business of the Group, overseeing the development of natural gas markets, resource acquisition, and facility utilization, innovating business models and managing operational risks of the Group

Name	Age	Date of joining the Company	Date of appointment as senior management of the Company	Position upon [REDACTED]	Roles and responsibilities
Mr. ZHANG Xiaoyang (張曉陽)	50	April 2010	December 2019	Vice president	Achieving strategic objectives of the production and construction business of the Group, monitoring execution and rectification of critical initiatives, driving improvement in safe production and operation capability, innovating business models, and managing operation risks of the Group
Mr. HUANG Baoguang (黃保光)	54	December 2018	December 2018	Vice president	Advancing the continuous optimization of commercial and legal solution designs, risk control, driving compliance-driven value creation, and enhancing organizational competencies and resource efficiency of the Group
Mr. JIANG Yang (姜楊)	39	January 2021	February 2024	Assistant to the president	Achieving strategic objectives of the domestic natural gas business of the Group and conducting execution and rectification of critical initiatives, driving industrial ecosystem collaboration, advancing domestic resource acquisition and facility utilization, customer expansion and market development, and innovating and institutionalizing business models of the Group

Name	Age	Date of joining the Company	Date of appointment as senior management of the Company	Position upon [REDACTED]	Roles and responsibilities
Mr. SUN Dianfei (孫典飛)	48	July 2021	February 2024	Assistant to the president	Achieving strategic objectives of the international natural gas business of the Group, conducting execution and rectification of critical initiatives, advancing global resource acquisition, customer expansion and market development, innovating business models and control of operation risks of the Group
Mr. WANG Bohan (王博涵)	37	January 2021	February 2025	Assistant to the president	Achieving strategic objectives of the Group's natural gas operations in Zhejiang, conducting execution and rectification of critical initiatives, advancing resource acquisition and facility utilization, customer expansion and market development and the operation and cooperation of Zhoushan LNG Receiving Terminal, enhancing the business development capability in the Yangtze River Delta region, and innovating and institutionalizing business models of the Group
Ms. LIN Yan (林燕)	51	July 2020	February 2024	Chief human resources director, assistant to the president	Developing talent stimulation systems, propelling core capability transformation and upgrading, continuously stimulating team vitality, and improving resource efficiency of the Group

Name	Age	Date of joining the Company	Date of appointment as senior management of the Company	Position upon [REDACTED]	Roles and responsibilities
Ms. LIANG Hongyu (梁宏玉).	45	June 2021	June 2021	Assistant to the president, financial controller and secretary to the Board	Management of major capital operation, financial control, investor relations management, ESG capability advancement, and the corporate governance of the Group

BOARD OF DIRECTORS

Executive Directors

Mr. JIANG Chenghong (蔣承宏), aged 50, is a Director, the chairman of the Board and the joint chief executive officer of our Company. Mr. Jiang joined the Company in March 2019 as a specially invited committee member of the business decision committee of the Company. He has been our joint chief executive officer since December 2023 and the chairman of the Board since March 2025. He was appointed as a Director in November 2020 and was designated as our executive Director on May 28, 2025 with effect from the [**REDACTED**]. Mr. Jiang served as an executive director of ENN Energy from December 2023 to February 2025 and currently holds management positions in other subsidiaries of our Group.

Mr. Jiang possesses keen risk insights, excellent organizational coordination and analytical decision-making abilities. He has extensive experience and unique insights in financial and value-based operational management, investment and financing management, and capital operations in group companies. He is responsible for formulation of strategic plans of the Group, leading the implementation of major strategic projects and capital operation projects, and promoting synergistic development across the business chain of the Group.

Prior to joining the Group, Mr. Jiang held important positions in the treasury and finance departments of Sinochem Group Co., Ltd. (中國中化集團有限公司) ("**Sinochem**"), an integrated operator in the oil and chemical industry with core business in the fields of energy, chemicals, agriculture, real estate and finance, and its subsidiaries. He served in management positions in the treasury and finance departments of Sinochem from August 1997 to August 2017. He also served as the deputy general manager of Sinochem Finance Co., Ltd. (中化集團財務有限責任公司) and a director of China Foreign Economy and Trade Trust Co., Ltd (中國對外經濟貿易信託有限公司).

Mr. Jiang holds directorship in entities ultimately controlled by Mr. WANG Yusuo, one of our Controlling Shareholders. Since July 2018, he has been a director of Tibet Tourism Co., Ltd. (西藏旅遊股份有限公司) ("**Tibet Tourism**"), a company that is listed on the Shanghai

Stock Exchange (stock code: 600749.SH) and is principally engaged in scenic spot development and operation, tourism service business and cultural business in Tibet, China. Tibet Tourism is ultimately controlled by Mr. WANG Yusuo.

Mr. Jiang received a bachelor's degree in economics from Wuhan University (武漢大學) in the PRC in July 1997 and a part-time master's degree in business administration for senior executives from Xiamen University (廈門大學) in the PRC in June 2009. He was qualified as a PRC lawyer in March 2000.

Mr. YU Jianchao (于建潮), aged 56, is a Director and the vice chairman of the Board. Mr. Yu joined the Company in January 2017 and served as the vice president of the Company from January 2017 to November 2017. He was appointed as a Director in February 2017 and was designated as our executive Director on May 28, 2025 with effect from the [**REDACTED**]. He served as our joint chief executive officer from September 2020 to December 2023, the vice chairman of the Board from November 2017 to December 2023, and the vice chairman of the Board (executive chairman) from December 2023 to May 2025. He also currently holds directorships in other subsidiaries of our Group.

Mr. Yu has over 36 years of experience in accounting and financial management, as well as business operations management. He is responsible for overall strategic planning, management and business development of the Group, co-ordinating the promotion and implementation of major capital operations and the prevention and control of major risks of the Company.

Mr. Yu received an executive master's degree in business administration from PBC School of Finance, Tsinghua University (清華大學五道口金融學院) in July 2018 and a master's degree in business administration from the China Europe International Business School (中歐國際工商學院) in September 2005.

Mr. Yu holds senior management position or has a minority equity interest in entities ultimately controlled by Mr. WANG Yusuo.

Mr. HAN Jishen (韓繼深), aged 60, is a Director and the joint chief executive officer of our Company. He joined the Company in September 2020, has since served as our Director and joint chief executive officer since September 2020 and was designated as our executive Director on May 28, 2025 with effect from the [**REDACTED**]. He has held senior management positions in ENN Energy for many years, including the positions of president, executive director, chief executive officer and joint vice chairman.

Mr. Han has extensive experience in market research, business development and operation management in the energy industry. He is responsible for the implementation and evaluation of major strategic projects and the prevention and control of major risks of the Group.

Mr. Han received a master of business administration from Nanyang Technological University in Singapore in May 2007.

Mr. Han has a minority equity interest in an entity ultimately controlled by Mr. WANG Yusuo.

Mr. ZHANG Yuying (張宇迎), aged 52, is a Director and the president of the Company. He joined the Company in December 2020 as a member of our coordination committee. He was appointed as a Director in December 2023 and was designated as our executive Director on May 28, 2025 with effect from the [**REDACTED**]. Since December 2023, he has also served as the president of the Company. He currently holds management positions in our subsidiaries, including an executive director and the chief executive officer of ENN Energy.

Mr. Zhang has rich experience in the creation of smart products and platforms for cyber security and basic Internet of Things facilities (pipeline networks) and has in-depth involvement in the city-gas business. He is responsible for management of the day-to-day operations, promotion of strategic goals, enhancement of security capabilities and digital transformation, organization of workforce and internal resources in furtherance of external strategic cooperations of the Group.

From July 2022 to February 2023, Mr. Zhang served as a non-executive director of Huzhou Gas Co., Ltd. ("**Huzhou Gas**"), a company that is listed on the Hong Kong Stock Exchange (stock code: 6661.HK) and is principally engaged in sale of gas and the provision of services to construct and install end-user pipeline network and gas facilities and sale of household gas appliances. From May 2022 to December 2023, Mr. Zhang served as the chairman of the board of directors of ENC Digital Technology Co., Ltd. (新智認知數字科技股份有限公司) ("**ENC Digital**"), a company that is listed on the Shanghai Stock Exchange (stock code: 603869.SH) and is principally engaged in the provision of integrated smart solutions for enterprises and urban infrastructure. ENC Digital is ultimately controlled by Mr. WANG Yusuo. Mr. Zhang holds directorship in an entity ultimately controlled by Mr. WANG Yusuo.

Mr. Zhang received a master's degree in business administration from Renmin University of China (中國人民大學) in the PRC in July 2003.

Mr. WANG Yusuo (王玉鎖), aged 61, is our ultimate Controlling Shareholder and Director. He joined the Company in November 2008, has since served as a Director and had served as the chairman of the Board from November 2008 to March 2025. He was designated as our executive Director on May 28, 2025 with effect from the [**REDACTED**]. He currently holds management positions in our subsidiaries, including an executive director and the chairman of the board of ENN Energy.

Mr. Wang has over 30 years of experience in investment and the management of the energy business in the PRC. He has solid knowledge of business management and strategy, and corporate governance, and has a profound understanding and professional insights on the trend, digitalization and sustainable development of energy industry. He is responsible for overall strategic planning and development of the Group.

Mr. Wang previously served as a director of ENC Digital from December 2010 to April 2022. He served as a member of the ninth, tenth and twelfth session of the National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議全國委員會) ("**CPPCC**") from March 1998 to March 2008 and from March 2013 to March 2018, and a member of the eleventh session of the standing committee of the national committee of the CPPCC (中國人民政治協商會議全國委員會常務委員會) from March 2008 to March 2013. He had also served as the deputy chairman of the Langfang city committee of the CPPCC. He served as the deputy chairman of the ninth session of the All-China Federation of Industry and Commerce (第九屆中華全國工商業聯合會) from November 2002 to November 2007.

Mr. Wang received his doctor of philosophy in management from Tianjin University of Finance and Economics (天津財經大學) in the PRC in December 2007.

Ms. ZHANG Jin (張瑾), aged 51, is a Director. She joined the Company in March 2019 as a specially invited committee member of our business decision committee. She was appointed as a Director in November 2020 and was designated as our executive Director on May 28, 2025 with effect from the [**REDACTED**]. She has served as an executive director of ENN Energy since August 2023 and is the chief human resources officer of ENN Energy.

Ms. Zhang has rich experience in corporate governance, human resources management and sustainable development. She has extensive knowledge on concepts and management methods such as talent retention and motivation, performance remuneration, and capability improvement. She is responsible for management and business development of the Group.

Prior to joining the Group, Ms. Zhang served in positions including vice president of Lenovo Group Limited (聯想集團有限公司), a technology company, from 1999 to May 2009. She also served as the vice president and chief administrative officer of Shanda Networking Co., Ltd. (上海盛大網絡發展有限公司), a company principally engaged in computer software development, network engineering and import and export of goods and technology, from May 2009 to June 2016.

Ms. Zhang holds directorship or senior management position in entities ultimately controlled by Mr. WANG Yusuo. She has served as a director of ENC Digital since March 2023.

Ms. Zhang received a bachelor's degree in economics in July 1996 and a master's degree in management in July 1999, both from Renmin University of China (中國人民大學) in the PRC.

Non-executive Director

Mr. WANG Zizheng (王子崢), aged 36, is a Director. He joined the Company in June 2018, has since served as a Director and was designated as our non-executive Director on May 28, 2025 with effect from the [**REDACTED**].

Mr. Wang has extensive experience in investment, mergers and acquisitions, risk management and operation management of overseas LNG refueling stations. He is responsible for participating in evaluation of business plans and strategies of the Group and providing professional judgment to the Board.

Since October 2020, Mr. Wang has served as an executive director and the general manager of Shanghai 3040 Technology Co., Ltd. (上海叁零肆零科技有限公司), a technology company which is principally engaged in the research and development of software and artificial intelligence applications and is controlled by Mr. Wang.

Mr. Wang is the son of Mr. WANG Yusuo. He holds directorship in entities ultimately controlled by Mr. WANG Yusuo.

Mr. Wang has been a deputy to the Hebei Provincial People's Congress (河北省人民代表大會) since December 2022. He also currently serves as a member of the standing committee of the Langfang city committee of the CPPCC and the thirteenth session of the standing committee of Hebei Federation of Industry and Commerce. He was a member of the twelfth session of the Hebei Provincial Committee of the CPPCC from January 2018 to January 2023.

Mr. Wang received a bachelor's degree in urban planning from Tongji University (同濟大學) in the PRC in July 2013.

Independent Non-executive Directors

Mr. WONG Tin Chak (王天澤), aged 60, was appointed as our independent Director on May 28, 2025 and designated as our independent non-executive Director with effect from the [**REDACTED**]. He is responsible for supervising and providing independent judgment to the Board.

Mr. Wong has extensive experience in accounting and consulting. Prior to joining the Group, he served as, among others, a member of the risk advisory management committee of Deloitte Asia Pacific, a member of the management committee at Deloitte China, a risk advisory managing partner at Deloitte China, and a deputy managing partner of audit and assurance at Deloitte China. He has been the chief partner at Shanghai Dekun Tianyu Management Consulting Partnership (Limited Partnership) (上海德焜天昱管理諮詢合夥企業(有限合夥)) since November 2022.

Since October 2023, Mr. Wong has served as an independent non-executive director of Bank of Communications Co., Ltd., a banking company that is listed on the Hong Kong Stock Exchange (stock code: 3328.HK) and the Shanghai Stock Exchange (stock code: 601328.SH).

Mr. Wong obtained a bachelor's degree in social sciences from The University of Hong Kong in November 1988, majoring in accounting and economics. He has been an associate member of the Institute of Chartered Accountants in England and Wales since January 2008.

Mr. Wong was previously a director of All Mighty Investment Company Limited (兩把刷子投資有限公司) (a dormant company which was incorporated in Hong Kong and dissolved on November 29, 2024 on a voluntary basis by way of de-registration), and a director of Trillion Technology Limited (卓能科技有限公司) (a company principally engaged in property holding, which was established in Hong Kong and dissolved on July 21, 2006 on a voluntary basis by way of de-registration as a result of disposal of relevant properties). Mr. Wong confirmed that (i) the aforementioned companies were solvent immediately prior to their dissolution; and (ii) he is not aware of any outstanding claims or liabilities as a result of the dissolution of such companies.

Mr. ZHANG Yu (張余), aged 67, joined our Company as an independent Director in November 2020 and was designated as our independent non-executive Director on May 28, 2025 with effect from the [**REDACTED**]. He is responsible for supervising and providing independent judgment to the Board.

Mr. Zhang has extensive experience in the energy industry engaging in work pertaining to research in oil production technology, development of oil and gas fields, oil and gas storage, transportation, production and management, as well as natural gas pipeline construction. Prior to joining our Group, he served in positions including the deputy general manager, safety director, general manager and director of PetroChina Beijing Gas Pipeline Co., Ltd. (中石油北京天然氣管道有限公司) (currently known as PipeChina Group Beijing Pipeline Co., Ltd. (國家管網集團北京管道有限公司)) from November 1994 to April 2018.

Mr. Zhang received an executive master of business administration degree from Peking University (北京大學) in the PRC in January 2009. He was awarded the title of senior engineer in December 2000.

Ms. WANG Chunmei (王春梅), aged 61, joined our Company as an independent Director in July 2022 and was designated as our independent non-executive Director on May 28, 2025 with effect from the [**REDACTED**]. She is responsible for supervising and providing independent judgment to the Board.

Ms. Wang has over 30 years of working experience in the energy industry. She has a deep understanding on the regulatory environment and industrial policies of the energy industry. Prior to joining the Group, she served as the deputy general manager of Zhejiang Natural Gas Development Co, Ltd. (浙江省天然氣開發有限公司) (currently known as PipeChina Zhejiang Provincial Natural Gas Pipeline Network Co., Ltd. (國家管網集團浙江省天然氣管網有限公司)), a company principally engaged in natural gas development, supply and transmission, from May 2002 to December 2011 and subsequently served as the general manager from September 2016 to May 2019. From December 2011 to August 2016, she served as the deputy general manager of Zhejiang Zheneng Gas Go., Ltd. (浙江浙能燃氣有限公司) (currently known as Zhejiang Energy Natural Gas Group Co., Ltd. (浙江能源天然氣集團有限公司)), a company principally engaged in investment and asset management relating to construction of natural gas facilities.

Ms. Wang received a bachelor's degree in economics from Renmin University of China (中國人民大學) in the PRC in June 1988. She was qualified as a senior engineer by the Hydraulic Engineering Technician and Senior Engineer Qualification Evaluation Committee of Zhejiang Province (浙江省水利工程技術人員高級工程師資格評審委員會) in the PRC in November 1997.

Mr. CHU Yuansheng (初源盛), aged 62, joined our Company as an independent Director in July 2022 and was designated as our independent non-executive Director on May 28, 2025 with effect from the [**REDACTED**]. He is responsible for supervising and providing independent judgment to the Board.

Mr. Chu has extensive experience in the legal industry. He has 12 years of work experience in the legal departments of Fortune Global 500 foreign companies and is familiar with both the civil law system and the common law system. He is currently a practicing lawyer of Beijing JYC Law Firm (北京市君益誠律師事務所). Previously, he served as an assistant research fellow of the Academy of Military Sciences of the People's Liberation Army (中國人民解放軍軍事科學院) from 1988 to 1997, senior legal positions in multinational enterprises including Schneider Electric (China) Investment Co., Ltd. (a company specializing in energy management and automation) and China Hewlett-Packard Co., Ltd. (an information technology company specializing in computer and related solutions) from 1998 to 2009, and a practicing lawyer of Beijing Gao Jie Law Firm (北京市高界律師事務所) from 2011 to 2020.

Mr. Chu received a master of laws degree from Peking University (北京大學) in the PRC in July 1988. He is a qualified PRC lawyer.

ABOLISHMENT OF THE SUPERVISORY COMMITTEE OF THE COMPANY

Pursuant to the latest regulations of the CSRC, our Shareholders passed a resolution at our general meeting held on May 28, 2025 to abolish the supervisory committee of the Company effective immediately. Following the abolishment of the supervisory committee, the principal functions of the supervisory committee has been replaced by the Audit Committee.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management and operation of our business. Mr. JIANG Chenghong (our Director, chairman of the Board and joint chief executive officer), Mr. HAN Jishen (our Director and joint chief executive officer) and Mr. ZHANG Yuying (our Director and president) are also members of our senior management team. For their biographical details, see "— Directors and Senior Management — Board of Directors — Executive Directors" in this section.

Ms. SU Li (蘇莉), aged 53, is an executive vice president of our Company. Ms. Su joined the Company in December 2020 as a member of our coordination committee. She has served as our executive vice president since December 2021. Ms. Su currently also serves as an executive director of ENN Energy.

Ms. Su has extensive experience in the management of gas resources and market expansions in the energy industry. She is responsible for achieving strategic objectives of, and monitoring the execution and rectification of critical initiatives for, the natural gas business of the Group, overseeing the development of natural gas markets, resource acquisition, and facility utilization, innovating business models and managing operational risks of the Group.

Ms. Su received an executive master of business administration degree from Shanghai Jiao Tong University (上海交通大學) in the PRC in December 2015.

Ms. Su has a minority equity interest in an entity ultimately controlled by Mr. WANG Yusuo.

Mr. ZHANG Xiaoyang (張曉陽), aged 50, is a vice president of our Company. He joined the Company in April 2010 and has since then served in management positions of our subsidiaries. He has been a vice president of the Company since December 2019. Since January 2025, he has also served as the general manager of our subsidiary, Xindi Energy Engineering Technology Co., Ltd. (新地能源工程技術有限公司).

Mr. Zhang has extensive experience in research in the chemical industry, as well as management of chemical assets and corporate operations. He is responsible for achieving strategic objectives of the production and construction business of the Group, monitoring execution and rectification of critical initiatives, driving improvement in safe production and operation capability, innovating business models, and managing operation risks of the Group.

Prior to joining the Group, Mr. Zhang served in the corporate management department of Shanxi Sunshine Power Generation Co., Ltd. (山西陽光發電公司), a company which is principally engaged the generation and sale of electricity and related fuel supplies, from July 1997 to April 2004. From April 2004 to April 2010, he served as the assistant general manager of Shanxi Zhangshan Power Generation Co., Ltd. (山西漳山發電有限公司), a company which is principally engaged in electricity generation and supply.

Mr. Zhang received a master's degree in industrial engineering from Wuhan University (武漢大學) in the PRC in December 2009.

Mr. Huang Baoguang (黃保光), aged 54, joined the Company in December 2018 and has since then served as our vice president.

Mr. Huang has extensive experience in energy project mergers and acquisitions as well as legal risk mitigation. He is responsible for advancing the continuous optimization of the commercial and legal solution designs, risk control, driving compliance-driven value creation, and enhancing organizational competencies and resource efficiency of the Group.

Prior to joining the Group, Mr. Huang served in various senior legal positions in China National Offshore Oil Corporation (中國海油石油集團有限公司), an offshore oil and gas producer based in China, from September 2001 to November 2009. He then took up senior legal positions in CNOOC Gas and Power Group Co., Ltd. (中海石油氣電集團有限公司), including the general counsel, from December 2009 to June 2016.

Mr. Huang received a part-time master's degree in energy and environmental management and economics from Scuola Superiore Enrico Mattei (意大利馬泰高等學院) in Italy in June 2001.

Mr. Jiang Yang (姜楊), aged 39, joined the Company in January 2021, holding the chief position in our national resource acquisition and facility utilization coordination committee. He has served as an assistant to the president of the Company since February 2024.

Mr. Jiang has extensive experience in natural gas trade and distribution of energy resources. He is responsible for achieving strategic objectives of the domestic natural gas business of the Group and conducting execution and rectification of critical initiatives, driving industrial ecosystem collaboration, advancing domestic resource acquisition and facility utilization, customer expansion and market development, and innovating and institutionalizing business models of the Group.

Mr. Jiang received a bachelor's degree in oil and gas storage and engineering from Southwest Petroleum University (西南石油大學) in the PRC in January 2010 through correspondence education.

Mr. SUN Dianfei (孫典飛), aged 48, joined the Company in July 2021 and has served as an assistant to the president of the Company since February 2024.

Mr. Sun has abundant experience in international trade of LNG. He is responsible for achieving strategic objectives of the international natural gas business of the Group and conducting execution and rectification of critical initiatives, advancing global resource acquisition, customer expansion, and market development, innovating business models and control of operation risks of the Group.

Prior to joining the Group, Mr. Sun served in senior positions in companies including China Petrochemical International Co., Ltd (中國石化國際事業有限公司) and China International United Petroleum and Chemical Co., Ltd. (中國國際石油化工聯合有限責任公司).

Mr. Sun received a bachelor's degree in chemical engineering and processing from Dalian University of Technology (大連理工大學) in the PRC in July 2001.

Mr. WANG Bohan (王博涵), aged 37, joined the Company in January 2021 and has been an assistant to the president of the Company since February 2025.

Mr. Wang has around 15 years of experience engaging in LNG trade and investment. He is responsible for achieving strategic objectives of the Group's natural gas operations in Zhejiang, and conducting execution and rectification of critical initiatives, advancing resource acquisition and facility utilization, customer expansion and market development, the operation and cooperation of Zhoushan LNG Receiving Terminal, enhancing the business development capability in the Yangtze River Delta region, and innovating and institutionalizing business models of the Group.

Prior to joining the Group, Mr. Wang served in the commercial divisions of CNOOC Gas and Power Group Co., Ltd. from July 2010 to March 2017 and Houpu Jinghua (Beijing) Investment Consulting Co., Ltd. (厚朴京華(北京)投資諮詢有限公司), an investment consulting company, from 2017 to 2019, respectively.

Mr. Wang received a bachelor's degree in law from Sichuan University (四川大學) in the PRC in June 2010.

Ms. LIN Yan (林燕), aged 51, is our chief human resources director and an assistant to the president of the Company. Ms. Lin joined the Company in July 2020 and has since served as our chief human resources director. She has served as an assistant to the president of the Company since February 2024.

Ms. Lin has over 25 years of experience in human resources and talent management. She is responsible for developing talent stimulation systems, propelling core capability transformation and upgrading, continuously stimulating team vitality, and improving resource efficiency of the Group.

Prior to joining the Group, Ms. Lin served as human resources director of the customer service group of Haier Group from August 1997 to May 2009.

Ms. Lin received a master of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in August 2016.

Ms. LIANG Hongyu (梁宏玉), aged 45, is an assistant to the president of the Company, our financial controller and secretary to the Board. Ms. Liang joined the Company in June 2021 and has since served as our secretary to the Board. She has served as an assistant to the president of the Company since February 2024 and our financial controller since February 2025.

Ms. Liang has around 20 years of experience in capital markets transactions and corporate operational management. She is responsible for the management of major capital operation, financial control, investor relations management, ESG capability advancement, and the corporate governance of the Group.

Ms. Liang received a master's degree in international business and corporate law from The University of Lancaster in the United Kingdom in November 2004 and a master of business administration from The Chinese University of Hong Kong in November 2017. She was qualified as a PRC lawyer in February 2009.

COMPANY SECRETARY

Ms. LEUNG Mui Yin (梁梅燕) was appointed as our company secretary on May 28, 2025 with effect from the [**REDACTED**]. Ms. Leung is a member of The Hong Kong Chartered Governance Institute and a member of The Chartered Governance Institute in the United Kingdom. She is also a member of The Hong Kong Institute of Certified Public Accountants.

Ms. Leung has over 15 years of experience in accounting and financial reporting, finance, corporate governance and company secretarial practices. She has served as the company secretary of ENN Energy since June 2021.

Ms. Leung received a bachelor's degree in accountancy from The Hong Kong Polytechnic University in December 2007.

OTHER MATTERS

ENC Digital

- *Incident 1:* From May 2022 to December 2023, Mr. ZHANG Yuying ("**Mr. Zhang**") served as the chairman of the board of directors of ENC Digital. In May 2024, the Guangxi Regulatory Bureau of the CSRC issued a warning letter (the "**ENC Digital Warning Letter**") to (among others) ENC Digital and Mr. Zhang (in his capacity as the former chairman of the board of directors of ENC Digital) in relation to (i) the failure by ENC Digital to publish an earnings forecast for the year 2023 as required (the "**Earnings Forecast Incident**") and (ii) certain inaccurate financial information disclosures in annual reports of ENC Digital for the years 2019 to 2022 (the "**Disclosure Incident**"), which have been subsequently rectified by ENC Digital.

  For the avoidance of doubt, save for the above, none of the Directors or senior management of our Company was subject to the ENC Digital Warning Letter.

  Our Directors are of the view that the above incidents do not impugn the integrity or suitability of Mr. Zhang to serve as a Director, noting that: (i) ENC Digital is not a member of the Group; (ii) Mr. Zhang had ceased to be a director of ENC Digital at the time of the occurrence of the Earnings Forecast Incident in 2024; (iii) as confirmed by Mr. Zhang, the Disclosure Incident mainly concerned certain financial information of ENC Digital for the years 2019 to 2021, which was prepared before Mr. Zhang's tenure in ENC Digital, and he was not involved in the preparation of the financial information for the year 2022; (iv) the ENC Digital Warning Letter did not indicate any direct involvement of Mr. Zhang in the above incidents; and (v) our PRC legal advisor has advised that the ENC Digital Warning Letter is a non-punitive regulatory measure implemented by the Guangxi Regulatory Bureau of the CSRC, which does not constitute an administrative penalty or public censure under PRC laws, regulations or rules, or adversely affect his eligibility to serve as a director, supervisor or senior management member of any listed companies in the PRC and does not fall within any of the circumstances specified in Article 8 of the Overseas Listing Trial Measures in which overseas issuance and listing are prohibited.

- *Incident 2:* In December 2024, the Guangxi Regulatory Bureau of the CSRC issued a decision of administrative penalties (the "**ENC Digital Administrative Penalties Decision**") against ENC Digital and certain parties related to ENC Digital (together with ENC Digital, the "**ENC Digital Relevant Parties**") (who, for the avoidance of doubt, do not include any Director or senior management of our Company) with respect to irregularity in reporting of revenue and profit information by certain subsidiaries of ENC Digital in annual reports of ENC Digital for the years 2019 to 2021 (the "**Relevant Annual Reports**"). Penalties were imposed by the Guangxi Regulatory Bureau of the CSRC on the ENC Digital Relevant Parties. Based on the ENC Digital Administrative Penalties Decision, in January 2025, the Shanghai Stock Exchange issued a decision of disciplinary action (the "**ENC Digital Disciplinary Decision**") against the ENC Digital Relevant Parties, making a public censure on those parties. The foregoing incident has been subsequently rectified by ENC Digital.

The appointment of Mr. Zhang as a director of ENC Digital commenced from May 2022, which was subsequent to the publication of the Relevant Annual Reports, and ended in December 2023. For the avoidance of doubt, none of the Directors or senior management of our Company was subject to the ENC Digital Administrative Penalties Decision and the ENC Digital Disciplinary Decision.

Tibet Tourism

- In May 2022, the Shanghai Stock Exchange issued a regulatory warning (the "**Tibet Tourism Warning Letter**") to (among others) Tibet Tourism and Mr. WANG Yusuo ("**Mr. Wang**") (as the de facto controller of Tibet Tourism under the SSE Listing Rules) in relation to the receipt and payment by Tibet Tourism on behalf of Xinyi Hotel Management Co., Ltd. (新繹酒店管理有限公司) ("**Xinyi Hotel Management**", a company controlled by Mr. Wang) of social insurance and housing provident fund contributions in the amount of approximately RMB1.26 million for certain employees of Xinyi Hotel Management, who were former employees of Tibet Tourism, from January to April 2021 for the purpose of addressing historical issues such as the employee settlement issue (the "**Employee Settlement Incident**"). The relevant payments were recovered by Tibet Tourism and the Employee Settlement Incident was rectified by Tibet Tourism.

  Our Directors are of the view that the Employee Settlement Incident does not impugn the integrity or suitability of Mr. Wang to serve as a Director, noting that: (i) Tibet Tourism is not a member of the Group; (ii) as confirmed by Tibet Tourism and Xinyi Hotel Management, Mr. Wang was not involved in the day-to-day operation of Tibet Tourism or Xinyi Hotel Management, and he had no knowledge of the Employee Settlement Incident at the relevant time; (iii) the Tibet Tourism Warning Letter did not indicate any direct involvement of Mr. Wang in the above incident; and (iv) our PRC legal advisor has advised that the Tibet Tourism Warning Letter is a non-punitive regulatory measure implemented by the Shanghai Stock Exchange, which does not constitute an administrative penalty or public censure under PRC laws, regulations or rules, or adversely affect his eligibility to serve as a director, supervisor or senior management member of any listed companies in the PRC and does not fall within any of the circumstances specified in Article 8 of the Overseas Listing Trial Measures in which overseas issuance and listing are prohibited.

  For the avoidance of doubt, save for the above, none of the Directors or senior management of our Company was subject to the Tibet Tourism Warning Letter.

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of the Shareholders and there was no information relating to our Directors or chief executive that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Save as disclosed in the sections headed "Relationship with Controlling Shareholders", "Substantial Shareholders" and "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 3. Disclosure of Interests" in Appendix VI to this Document, as of the Latest Practicable Date, none of our Directors held any interest or short position in the Shares or underlying Shares within the meaning of Part XV of the SFO.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on June 5, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each independent non-executive Director has confirmed to us (a) his or her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (b) that he or she has no past or present financial or other interest in our business or any connection with any core connected person of our Company and (c) that there are no other factors that may affect his or her independence at the time of his or her appointment.

COMPETITION

Each of our executive and non-executive Directors confirmed that, as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

Our Group has also adopted corporate governance measures as described in section headed "Relationship with Controlling Shareholders — Corporate Governance Measures," which help us to manage any potential conflicts of interest between our Group and our Controlling Shareholder and our Directors.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Track Record Period, the remuneration of our Directors, supervisors and senior management was paid in the form of fees, salaries, allowances, benefits in kind, retirement benefit scheme contributions and/or discretionary performance bonus.

The remuneration (including any fees, salaries, allowances, benefits in kind, retirement benefit scheme contributions and/or discretionary performance bonus) paid to our Directors in 2022, 2023 and 2024 were RMB32.0 million, RMB25.5 million and RMB23.5 million, respectively.

The remuneration (including any fees, salaries, allowances, benefits in kind, retirement benefit scheme contributions and/or discretionary performance bonus) paid to our supervisors in 2022, 2023 and 2024 were RMB0.7 million, RMB1.0 million and RMB0.6 million, respectively.

In 2022, 2023 and 2024, the aggregate amount of remuneration paid to the five highest paid individuals of our Group (among which there were three, four and five Directors respectively) were RMB32.3 million, RMB22.5 million and RMB20.7 million, respectively. During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors, supervisors or the five highest paid individuals as an inducement to join or upon joining our Company as a compensation for loss of office in respect of the three years ended December 31, 2022, 2023 and 2024.

It is estimated that under the arrangements currently in force, the aggregate amount of remuneration payable to and benefits in kind receivable by our Directors in 2025 will be approximately RMB23.5 million.

Save as disclosed above, no other payments had been made, or are payable, by any member of our Group to our Directors and supervisors during the Track Record Period.

For additional information on our Directors during the Track Record Period as well as information on the five highest paid individuals, see Note 11 to the Accountants' Report set out in Appendix I to this Document. See the section headed "Statutory and General Information — D. Share Schemes" in Appendix VI to this Document for details regarding the incentive plans for our Directors and senior management.

CORPORATE GOVERNANCE

In accordance with relevant PRC laws and regulations, the Articles and the practices in relation to the Corporate Governance Code under the Listing Rules, we have established four board committees, namely, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, and the Strategy and Environmental, Social and Governance Committee.

Audit Committee

We have established the Audit Committee with terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are (among others) to review and supervise the financial reporting process, risk management and internal control system of our Group. The Audit Committee consists of four members, namely, Mr. WONG Tin Chak, Mr. ZHANG Yu, Ms. WANG Chunmei and Mr. CHU Yuansheng. Mr. WONG Tin Chak, being the chairperson of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with terms of reference in compliance with the relevant PRC laws and regulations and Rules 3.25 and 3.26 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendation to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration and Appraisal Committee consists of four members, namely, Mr. WONG Tin Chak, Mr. ZHANG Yu, Ms. WANG Chunmei and Mr. CHU Yuansheng, with Ms. WANG Chunmei being the chairperson of the committee.

Nomination Committee

We have established the Nomination Committee with terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendation to the Board regarding the appointment of Director and senior management and succession planning for Directors. The Nomination Committee consists of five members, namely, Mr. YU Jianchao, Ms. ZHANG Jin, Mr. WONG Tin Chak, Mr. ZHANG Yu and Mr. CHU Yuansheng, with Mr. CHU Yuansheng being the chairperson of the committee.

Strategy and ESG Committee

We have established the Strategy and ESG Committee with terms of reference in compliance with the relevant PRC laws. The primary duties of the Strategy and ESG Committee are to research and make recommendation to the Board regarding the long-term development strategy and major investment decisions of the Company and oversee the strategy planning in relation to environmental, social and governance matters of the Company and the related goal setting and achievement. The Strategy and ESG Committee consists of eight members, namely, Mr. JIANG Chenghong, Mr. YU Jianchao, Mr. ZHANG Yuying, Mr. WANG Zizheng, Mr. WONG Tin Chak, Mr. ZHANG Yu, Ms. WANG Chunmei and Mr. CHU Yuansheng, with Mr. YU Jianchao being the chairperson of the committee.

DIVERSITY

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") with a view to enhance the effectiveness of the Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a wide range of factors, including but not limited to gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. Our Directors believe that our board diversity policy is well implemented. Our Board consists of 11 Directors spanning a wide range of ages from 36 years old to 67 years old and will include 2 female Directors. Furthermore, our Directors have a balanced mixed of knowledge and skills, including overall management and strategic development, accounting, financial and investment management and human resources management, in addition to extensive experience in the energy industry. They obtained degrees in various majors including business administration, economics and urban planning, among others. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for the implementation of the Board Diversity Policy and ensuring its compliance with the Corporate Governance Code. After [**REDACTED**] of the [**REDACTED**], the Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness, and we will disclose in our corporate governance report the implementation results of the Board Diversity Policy annually.

CORPORATE GOVERNANCE CODE

We strive to achieve high standards of corporate governance and safeguard the interests of our Shareholders. We expect to comply with all applicable code provisions of the Corporate Governance Code upon [**REDACTED**].

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our compliance advisor (the "**Compliance Advisor**") pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in certain circumstances including: (a) before the publication of any regulatory announcement, circular or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases; and (c) where the Hong Kong Stock Exchange makes an inquiry to our Company under Rule 13.10 of the Listing Rules.

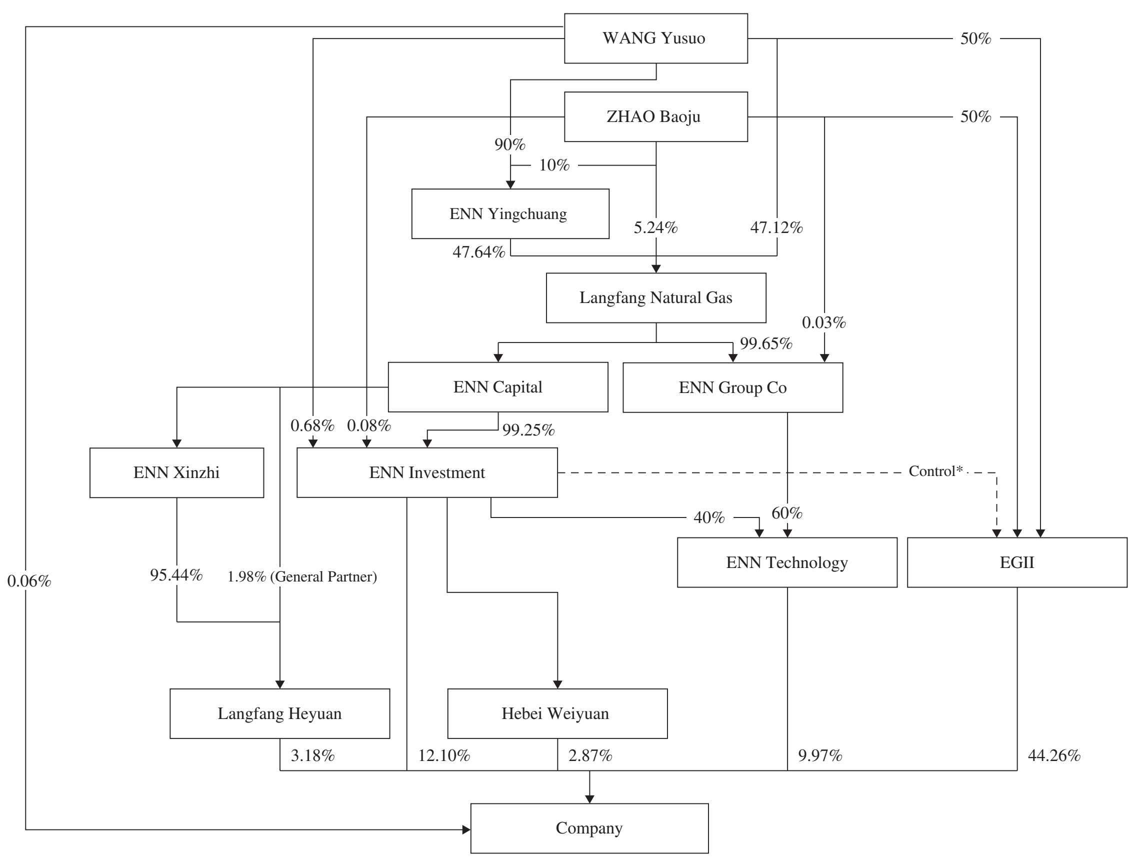
Meanwhile, pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the Hong Kong Stock Exchange from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The Compliance Advisor shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of appointment of our Compliance Advisor shall commence on the [**REDACTED**] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

OVERVIEW

As at the Latest Practicable Date, Mr. WANG Yusuo, our executive Director, was interested in an aggregate of 2,243,449,808 of A Shares (of which approximately 1,911,750 A Shares was being held directly by Mr. WANG Yusuo and approximately 2,241,538,058 A Shares was being held through entities controlled by Mr. WANG Yusuo), representing (i) approximately 72.44% of our total issued share capital and (ii) approximately 72.58% of the voting power at general meetings of our Company (excluding the 6,034,980 A Shares held by our Company as treasury Shares as of the Latest Practicable Date). For further details of the treasury Shares, see "Share Capital — Our Shares" in this Document.

The shareholding of Mr. WANG Yusuo and his spouse, Ms. ZHAO Baoju in our Company as at the Latest Practicable Date was as follows:



Note:

(1) On November 30, 2018, Mr. WANG Yusuo, Ms. ZHAO Baoju and ENN Investment entered into an Equity Custody Agreement, pursuant to which each of Mr. WANG Yusuo and Ms. ZHAO Baoju entrusted all rights and interests to the shares of EGII held by them to ENN Investment for its management until December 31, 2040.

Immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization (assuming that there has been no other change to the issued share capital of our Company and ENN Energy and holdings of our Shares), Mr. WANG Yusuo will continue to be entitled to control approximately [**REDACTED**] of the voting power at general meetings of our Company (excluding the [6,034,980] A Shares held by our Company as treasury Shares).

In light of the above, Mr. WANG Yusuo, Ms. ZHAO Baoju (who is presumed to be a Controlling Shareholder due to being Mr. Wang Yusuo's spouse), ENN Yingchuang, Langfang Natural Gas, ENN Capital, ENN Group Co, ENN Investment, ENN Xinzhi, ENN Technology, EGII, Langfang Heyuan and Hebei Weiyuan, are considered our group of Controlling Shareholders upon the [**REDACTED**] of the [**REDACTED**] and the Privatization.

As of the Latest Practicable Date, the principal business of each of our Controlling Shareholders (other than Mr. WANG Yusuo and Ms. ZHAO Baoju) are as follows:

Name of Controlling Shareholder	Principal Business
ENN Yingchuang (新奧贏創科技有限公司)	Software and information technology services (軟件和信息技術服務)
Langfang Natural Gas (廊坊市天然氣有限公司)	Production and supply of gas (燃氣生產和供應)
ENN Capital (新奧資本管理有限公司)	Capital market services (資本市場服務)
ENN Group Co (新奧集團股份有限公司)	Investment holding (投資控股)
ENN Investment (新奧控股投資股份有限公司)	Investment holding (投資控股)
ENN Xinzhi (新奧新智科技有限公司)	Software and information technology services (軟件和信息技術服務)
ENN Technology (新奧科技發展有限公司)	Research and experimental development (研究和試驗發展)
EGII (ENN Group International Investment Limited)	Investment holding (投資控股)
Langfang Heyuan (廊坊合源投資中心(有限合夥))	Capital market services (資本市場服務)
Hebei Weiyuan (河北威遠集團有限公司)	Sale of fine chemicals, new building materials, mechanical products, and electronic products (精細化工產品、新型建築材料、機械產品、電子產品的銷售)

As of the Latest Practicable Date, apart from our Group, Mr. WANG Yusuo was also interested in (i) approximately 62.25% of the total issued share capital of ENC Digital, a company listed on the Shanghai Stock Exchange (stock code: 603869.SH) that is primarily engaged in the provision of integrated intelligent solutions, products and delivery services to enterprises and urban infrastructure service providers; and (ii) approximately 27.63% of the total issued share capital of Tibet Tourism, a company listed on the Shanghai Stock Exchange (stock code: 600749.SH) that is primarily engaged in the scenic spot development and operation, tourism service business and cultural business through entities he controlled (including certain Controlling Shareholders set out above).

For further details of Mr. WANG Yusuo, see "Directors and Senior Management — Board of Directors" in this Document.

COMPETING INTERESTS

Apart from our Group, as of the Latest Practicable Date, none of our Controlling Shareholders were conducting any businesses or holding controlling interest directly or indirectly in companies which are engaged in businesses in competition or is likely to be in competition with the businesses of our Group directly or indirectly, and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

Our Controlling Shareholders and/or Directors may, from time to time, make investments or hold non-executive directorships in other entities. To the extent our Directors hold non-executive directorships or make minority investments in these entities, we believe that this would strengthen the experience and diversity of our Directors as a whole.

NON-COMPETITION UNDERTAKINGS

Mr. Wang provided long-term non-compete undertakings to our Company in connection with (i) the acquisition of 369,175,534 shares of ENN Energy (representing 32.80% of the issued share capital of ENN Energy at the relevant time) in 2020 by the Company through the Offeror on December 9, 2019, (ii) the acquisition of 90% equity interests in ENN Zhoushan in 2022 by the Company through ENN Tianjin on October 26, 2021, and (iii) the Privatization Proposal on March 26, 2025, pursuant to which Mr. Wang undertakes the following:

(i) Mr. Wang and such other companies/entities wholly owned or controlled by him will not engage in any business or activity that is the same or similar to the principal business of our Company or its controlled subsidiaries.

(ii) Mr. Wang will adopt effective measures in strict accordance with relevant laws, regulations and rules under regulatory documents to avoid any actual competition with our Company and its controlled subsidiaries and undertakes to procure his wholly-owned or controlled companies/entities to do the same.

(iii) If Mr. Wang and his wholly-owned or controlled companies/entities obtain any business opportunities that constitute or may constitute actual competition with our Company and its controlled subsidiaries, Mr. Wang will use best efforts to provide such business opportunities to our Company or its controlled subsidiaries. If our Company and its controlled subsidiaries do not obtain such business opportunities, Mr. Wang undertakes to resolve such situation in a manner permitted by laws, regulations and the China Securities Regulatory Commission.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are of the view that we are able to conduct our business independently from our Controlling Shareholders and their respective associates after the [**REDACTED**].

Management Independence

Our business has been managed and conducted by our Board and senior management. Our Board consists of 11 Directors, comprising six executive Directors, one non-executive Director and four independent non-executive Directors, and we also have 11 senior management members (of which three are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see "Directors and Senior Management" in this Document.

As of the Latest Practicable Date, (i) executive Directors who are not senior management of our Company and non-executive Director held directorships and/or senior management positions at the level of the Controlling Shareholders and received remuneration from the Controlling Shareholders for such positions held; and (ii) executive Directors who are also our senior management held directorships at the level of the Controlling Shareholders and they did not receive any remuneration from the relevant Controlling Shareholders for such positions held.

Notwithstanding the above, our Directors consider that the Board and senior management of our Company are capable of functioning independently from our Controlling Shareholders for the following reasons:

(1) our Directors and senior management are able to devote sufficient time and efforts to manage the daily operations of our Group and make decisions independent of the Controlling Shareholders. In addition, there are four independent non-executive Directors in our 11-member Board, who have been providing independent oversight and will continue to independently monitor the formulation and implementation of major decisions of our Group based on their skills and qualification and related professional experience. Members of the senior management of our Company have been with our Group in management capacity at the Company level and/or at our

subsidiaries level for a number of years, and therefore, have substantial working experience in the industries we are engaged in, and their familiarity with our Group's business and with the competitive landscape we are in will therefore enable them to make business decisions that are in the best interests of our Group;

(2) our executive Directors have been devoting and will continue to allocate adequate amount of time and effort to the management and operation of our Group and would bear the best interests of the Company and the Shareholders as a whole in mind;

(3) we have established clear reporting lines among the management team of our Company and between our management team and the Board. Our management team and the executive Directors report to the Board. The Board supervises and monitors the performance of our management team generally through receiving regular reports from our executive Directors, attending regular meetings and other ad hoc meetings of our Board to consider, deliberate and approve material matters which exceed the delegated authorities of our management team, as well as through the regular updates provided to our Directors of our operational and financial information;

(4) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she must act for the benefit and in the interest of our Company and the Shareholders as a whole, and not allow any conflict between his/her duties as a Director and his/her personal interests;

(5) as an A-share listed company, we have formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shanghai Stock Exchange. Our Articles of Association has included relevant provisions to manage conflict of interest and we have also established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director is obliged to declare and fully disclose such potential conflict of interest and shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions; and

(6) we have adopted a series of corporate governance measures to manage potential conflicts of interest, if any, between our Group and our Controlling Shareholders, which would enhance our independent management. For further information, see "— Corporate Governance Measures."

In light of the above, our Directors are of the view that our Company has our own management team which is capable of maintaining the independence of our Company from our Controlling Shareholders and supporting the independent operation of our Group.

Operational Independence

Our Directors are of the view that we can continue operating independently from our Controlling Shareholders after the [**REDACTED**] of the [**REDACTED**]. Despite the controlling interest in our Company retained by our Controlling Shareholders after the [**REDACTED**] of the [**REDACTED**], we hold and enjoy the benefit of all relevant permits and licenses necessary for carrying out our business in all material respect, and we have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have full powers to make all decisions regarding, and to carry out, our own business operations independently from our Controlling Shareholders. In addition, our access to, and relationship with, our key customers and suppliers are independent from our Controlling Shareholders.

Notwithstanding the above, we have entered into certain continuing connected transactions with our Controlling Shareholders and its associates in respect of some of our business segments and operations. For more details, see "Connected Transactions" section. Considering our access to independent sources and the sufficiently competitive market, our Directors believe that, even if such agreements are terminated, the Company will be able to easily identify other suitable partners or substitutes through fair negotiation at similar terms and conditions in line with the market terms to meet our business and the operational needs without causing any undue delay.

In light of the above, our Directors are satisfied that we have been operating independently from our Controlling Shareholders and their respective associates during the Track Record Period and will continue to be able to operate independently upon [**REDACTED**].

Financial Independence

We have adopted our own independent internal control, accounting, funding, reporting and financial management systems, and we also have an independent accounting and finance department responsible for discharging relevant financial and treasury function with relevant finance personnel. Moreover, our Board has established the Audit Committee comprising solely of independent non-executive Directors to provide independent oversight to, among others, our accounting and financial reporting processes.

Moreover, we open and manage our bank accounts independently, and have never shared any bank account with our Controlling Shareholders and/or their respective close associates. We are also capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders in view of our Group's strong financial position, steady cash flow generation and level of liquid assets as well as our ability to raise funds on a standalone basis.

Except for the below loan agreements, no other loan or guarantee has been provided by our Controlling Shareholders or their respective associates during the Track Record Period and remains outstanding as of the Latest Practicable Date.

Loan Agreements

Haomaiqi, our non-wholly-owned subsidiary, has entered into loan agreements with ENN Xinzhi, pursuant to which ENN Xinzhi agreed to grant unsecured loan(s) of up to RMB323.4 million to Haomaiqi in total.

Principal terms of such loans are set out below:

Loan	Lender	Borrower	Principal Loan Amount	Latest Repayment Date	Interest
			(RMB million)		
(1) . .	ENN Xinzhi	Haomaiqi	Up to 78.4	December 31, 2026	To be calculated based on 1-year term Loan Prime Rate (LPR) and paid on the date of repayment.
(2) . .	ENN Xinzhi		Up to 245	December 31, 2029	

As of the Latest Practicable Date, ENN Xinzhi held 49% interest in Haomaiqi. ENN Xinzhi granted loans to Haomaiqi in its capacity as a shareholder of Haomaiqi and such loans were provided in proportion to the equity interest held directly by ENN Xinzhi in Haomaiqi. The loans set out in the table above represent the aforementioned loans from ENN Xinzhi. These loans are expected to continue after the [**REDACTED**] of the [**REDACTED**]. Given that ENN Xinzhi is our Controlling Shareholder and Haomaiqi is a subsidiary of our Company, the loans provided by ENN Xinzhi constitutes financial assistance received by our Group from our Controlling Shareholder. The Directors are of the view that the above loans are fair and reasonable, on normal commercial terms and in our Shareholders' interest as a whole.

The above loans constitute one-off connected transactions, instead of continuing connected transactions for the Company, under Chapter 14A of the Listing Rules. Accordingly, the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules are not applicable.

Notwithstanding the above, our Directors are of the view that our Group remains financially independent of our Controlling Shareholders and their close associates in light of our unutilized bank facilities of approximately RMB48.2 billion as of April 30, 2025. During the Track Record Period, we used bank loans and other borrowings to finance our working capital requirements and capital expenditure. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. We also issue notes from time to time to finance our working capital requirements and capital expenditure. Given our proven ability to secure independent financing, we believe that, after [**REDACTED**] of the [**REDACTED**], we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors acknowledge the importance of good corporate governance in protection of our Shareholders' interests. In order to further manage any potential conflicts of interest with the Controlling Shareholders and their respective close associates, we have adopted the following measures:

(1) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules. Our Articles of Association provide that, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest. In addition, where a general meeting of our Shareholders is to be held for considering proposed transactions in which any of our Controlling Shareholders or their respective close associates has a material interest, the relevant Controlling Shareholders will abstain from voting on the relevant resolutions;

(2) our Company has established internal control mechanisms to identify connected transactions. If our Group and our Controlling Shareholders or any of their associates intend to engage in any connected transaction, our Company will comply with the relevant requirements relating to connected transactions under the Listing Rules;

(3) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transactions annually and confirm in our annual reports that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from Independent Third Parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole;

(4) we will keep a balanced composition of executive and independent non-executive Directors on the Board. We have appointed four independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and are free of any business or other relationship that could interfere in any material manner with the exercise of their independent judgment. We also believe that our independent non-executive Directors are able to provide impartial opinions to safeguard the interests of our Shareholders as a whole;

(5) our independent non-executive Directors will continuously review whether there are any conflicts of interests between our Group and our Controlling Shareholders and the compliance and observance by our Controlling Shareholders of their non-competition undertakings, and provide impartial and professional advice to protect the interests of our minority Shareholders. The Controlling Shareholders has also undertaken to perform the disclosure obligations in accordance with the Company's Articles of Association and relevant laws and regulations;

(6) where our independent non-executive Directors request or are requested to review any conflict of interests circumstances between our Group and our Controlling Shareholders and their respective close associates, our Controlling Shareholders and/or our other Directors shall provide our independent non-executive Directors with all necessary information for consideration and our independent non-executive Directors shall be provided with access to independent advisors at the expense of our Company;

(7) our Audit Committee, comprising only of our four independent non-executive Directors, will conduct a review on the effectiveness of the above internal control measures on an annual basis; and

(8) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations and the Listing Rules, including various requirements relating to corporate governance, upon [**REDACTED**] of the [**REDACTED**].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization (assuming there are no changes to the issued share capital of the Company and ENN Energy between the Latest Practicable Date and the [**REDACTED**]), the following persons will have interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (being 5% or more of any class of voting shares in the Company) or be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company:

		Shares held as of the Latest Practicable Date		Shares held immediately following the [REDACTED] of the [REDACTED] and the Privatization(2)		
Name	Nature of interest(1)	Number of A Shares	Approximate percentage of shareholding	Number of A Shares	Approximate percentage of shareholding in our A Shares	Approximate percentage of shareholding in our total share capital
Mr. WANG Yusuo	Beneficial owner	1,911,750	0.06%	[REDACTED]	[REDACTED]	[REDACTED]
(王玉鎖)(3)	Interest in controlled corporation(10)	2,241,538,058(4)	72.38%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. ZHAO Baoju (趙寶菊)(5)	Interest of spouse	2,243,449,808	72.44%	[REDACTED]	[REDACTED]	[REDACTED]
EGII	Beneficial owner	1,370,626,680(4)	44.26%	[REDACTED]	[REDACTED]	[REDACTED]
ENN Investment	Beneficial owner	374,737,451(4)	12.10%	[REDACTED]	[REDACTED]	[REDACTED]
ENN Technology	Beneficial owner	308,808,988(4)	9.97%	[REDACTED]	[REDACTED]	[REDACTED]
ENN Capital(6)	Interest in controlled corporation(10)	870,911,378(4)	28.12%	[REDACTED]	[REDACTED]	[REDACTED]
ENN Group Co(7)	Interest in controlled corporation(10)	308,808,988(4)	9.97%	[REDACTED]	[REDACTED]	[REDACTED]
Langfang City Natural Gas(6)(7)(8)	Interest in controlled corporation(10)	870,911,378(4)	28.12%	[REDACTED]	[REDACTED]	[REDACTED]
ENN Yingchuang(6)(7)(8)(9)	Interest in controlled corporation(10)	870,911,378(4)	28.12%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on a total of 3,097,087,607 A Shares and [**REDACTED**] H Shares in issue immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization (assuming that there are no changes to the issued share capital of the Company and ENN Energy between the Latest Practicable Date and the [**REDACTED**]).

(3) As of the Latest Practicable Date, (i) Mr. WANG Yusuo directly held 1,911,750 A Shares; and (ii) EGII, ENN Investment, ENN Technology, Langfang Heyuan and Hebei Weiyuan directly held 1,370,626,680 A Shares, 374,737,451 A Shares, 308,808,988 A Shares, 98,360,656 A Shares and 89,004,283 A Shares respectively. As of the Latest Practicable Date, Mr. WANG Yusuo indirectly held one-third or more of the issued voting shares in each of EGII, ENN Investment, ENN Technology, Langfang Heyuan and Hebei Weiyuan. He is accordingly deemed to be interested in the Shares held by each of the foregoing entities under the SFO.

(4) As of March 31, 2025, 13,000,000 A Shares, 214,450,000 A Shares, 23,700,000 A Shares, 63,840,000 A Shares, and 52,510,000 A Shares were pledged by EGII, ENN Investment, ENN Technology, Langfang Heyuan and Hebei Weiyuan, respectively.

(5) Ms. ZHAO Baoju is the spouse of Mr. WANG Yusuo and is deemed to be interested in the Shares held by Mr. WANG Yusuo under the SFO.

(6) As of the Latest Practicable Date, ENN Capital was the general partner of Langfang Heyuan and indirectly held one-third or more of the issued voting shares in each of ENN Investment, ENN Technology and Hebei Weiyuan. ENN Capital is therefore deemed to be interested in the Shares held by each of Langfang Heyuan, ENN Investment, ENN Technology and Hebei Weiyuan under the SFO.

(7) As of the Latest Practicable Date, ENN Group Co directly held one-third or more of the issued voting shares in ENN Technology and is therefore deemed to be interested in the Shares held by ENN Technology under the SFO.

(8) As of the Latest Practicable Date, Langfang Natural Gas directly held one-third or more of the issued voting shares in each of ENN Capital and ENN Group Co. Langfang Natural Gas is therefore deemed to be interested in the Shares held by each of Langfang Heyuan, ENN Investment, ENN Technology and Hebei Weiyuan under the SFO.

(9) As of Latest Practicable Date, ENN Yingchuang directly held one-third or more of the issued voting shares in Langfang Natural Gas and is deemed to be interested in the Shares held by each of Langfang Heyuan, ENN Investment, ENN Technology and Hebei Weiyuan under the SFO.

(10) For the specific percentage interest(s) held by such person in his/her/its controlled corporation(s), please refer to the shareholding chart in the section headed "Relationship with Controlling Shareholders — Overview" in this Document.

Save as disclosed above, the Directors are not aware of any person who will, immediately following the [**REDACTED**] of the [**REDACTED**] and Privatization (assuming there are no changes to the issued share capital of the Company and ENN Energy and holdings of our Shares and ENN Energy Shares between the Latest Practicable Date and the [**REDACTED**]), have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

SHARE CAPITAL

Immediately before the [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB3,097,087,607, which was fully paid-up and comprised 3,097,087,607 A Shares (including 6,034,980 A Shares as treasury Shares) with a nominal value of RMB1.00 each.

Immediately after the [REDACTED] and the Privatization

Immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization (assuming there are no other changes to the issued share capital of the Company and ENN Energy and holdings of our Shares and ENN Energy Shares between the Latest Practicable Date and the [**REDACTED**]), the share capital of our Company will be as follows:

	Assuming no further ENN Energy Share Options are exercised since the Latest Practicable Date and prior to the Scheme Record Date[1]			Assuming all ENN Energy Share Options are exercised and the corresponding ENN Energy Shares are issued to the ENN Energy Share Option Holders prior to the Scheme Record Date[1]		
Description of Shares	Number of Shares	Aggregate nominal value	Approximate percentage of our total share capital	Number of Shares	Aggregate nominal value	Approximate percentage of our total share capital
		(in RMB)			*(in RMB)*	
A Shares in issue.	3,097,087,607[2]	3,097,087,607	[REDACTED]	3,097,087,607[2]	3,097,087,607	[REDACTED]
H Shares to be issued under the [REDACTED] . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	**100.00%**	[REDACTED]	[REDACTED]	**100.00%**

Notes:

(1) As of the Latest Practicable Date, there are 5,448,426 ENN Energy Share Options entitling the holders thereof to subscribe for 5,448,426 new ENN Energy Shares.

(2) Including 6,034,980 A Shares held by the Company as treasury Shares as of the Latest Practice Date.

OUR SHARES

Upon [**REDACTED**] of the [**REDACTED**] and the Privatization, we have two classes of Shares, namely, A Shares and H Shares, and all A Shares and H Shares then in issue are ordinary Shares in our share capital.

Apart from certain qualified domestic institutional investors in mainland China, the qualified investors in mainland China under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (if our H Shares are eligible securities for that purpose) and other persons who are entitled to hold our H Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in mainland China.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be traded by investors in mainland China, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be traded by investors in mainland China in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [**REDACTED**]. *The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies* (《H股公司境內未上市股份申請「全流通」業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that holders of A Shares may convert the A Shares held by them into [**REDACTED**] for H Shares and trading on the Stock Exchange.

As of the Latest Practicable Date, 6,034,980 A Shares were held by our Company as treasury Shares, which shall be used in connection with the implementation of any share incentive or employee stock ownership plan of the Company. These A Shares were repurchased by our Company from the secondary market and shall be cancelled to the extent such A Shares are not utilized within three years from the announcement of the results of the relevant repurchase and changes in the Shares. Upon adoption of any share scheme(s) of our Company which will be funded by such 6,034,980 A Shares after [**REDACTED**], such 6,034,980 A Shares may be transferred out of treasury for the purpose of and pursuant to [**REDACTED**] scheme(s) of our Company in compliance with applicable requirements under Rule 19A.39E of the Listing Rules as and when appropriate and required.

RANKING

Our A Shares and H Shares are regarded as one class of Shares under our Articles of Association and shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made.

Pursuant to our Articles of Association, the Company may distribute dividend in the form of cash or Shares. Where dividends are distributed in the form of Shares, holders of H Shares will receive share dividends in the form of H Shares and holders of A Shares will receive share dividends in the form of A Shares.

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstances under which our Shareholders' general meetings are required, see "Summary of Legal and Regulatory Provisions" in Appendix IV and "Summary of the Articles of Association" in Appendix V to this Document.

REPURCHASE MANDATE

We intend to seek a Shareholders' general mandate in due course to authorize our Directors to repurchase H Shares on the Stock Exchange after [**REDACTED**].

SHARE INCENTIVE SCHEMES

For details of our share incentive schemes, see "Statutory and General Information — D. Share Schemes" in Appendix VI to this Document.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information, included in the Accountants' Report in Appendix I to this Document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with HKFRS Accounting Standards, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions, such as the PRC.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this Document.

OVERVIEW

We are China's largest privately-owned natural gas company in terms of natural gas retail volume in 2024, according to Frost & Sullivan, and a vertically integrated business portfolio covering the entire natural gas industry chain.

During the Track Record Period, we operate and generate revenue from six business segments:

(i) natural gas sales business: based on factors such as differences in natural gas procurement, customer structure, and business model, it can be further divided into retail of gas, direct gas sales by platform and wholesale of gas. we sell natural gas to customers, either directly to end users or to other customers such as city gas operators, energy operators, or international oil and gas companies under this business segment;

(ii) integrated energy business: we provide project-based, customized integrated energy solutions to our customers seeking relevant services and solutions;

(iii) value added business: we sell strategically structured products and solutions for modern household, to addresses differentiated and aspirational customer needs;

(iv) engineering construction and installation business: it comprises engineering construction whereas we provide engineering construction services for long distance pipeline, gas storage and peak shaving stations on a project basis, and installation business whereas we construct and install pipelines and related facilities primarily to residential customers and C&I customers of our retail of gas business;

(v) infrastructure operations: we operate our midstream infrastructure in the natural gas value chain, such as terminals and facilities for LNG receiving, processing, storage and transportation, for members of our Group and our external clients; and

(vi) energy production: we engage in the production and sales of methanol and other products. We also trade energy products under this segment to meet our customers' needs.

During the Track Record Period, our revenue was mainly generated from our natural gas sales business. In 2022, 2023 and 2024, our revenue amounted to RMB150.0 billion, RMB141.1 billion and RMB134.9 billion, respectively. Our net profit attributable to owners of the Company amounted to RMB5.8 billion, RMB7.1 billion and RMB4.5 billion, respectively, and our core profit attributable to owners of the Company amounted to RMB6.1 billion, RMB6.4 billion and RMB5.1 billion, respectively. For more details of our core profit and the reconciliation process, see "— Non-HKFRS Measure."

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business and results of operations have been and will continue to be affected by company-specific factors, which primarily include the following:

Natural Gas Prices and Demand in End Markets

During the Track Record Period, a substantial portion of our revenue was derived from the sale of natural gas. Our revenue derived from sales of natural gas was 80.1%, 77.4% and 76.9% in 2022, 2023 and 2024. As such, fluctuations in natural gas prices directly affect our results of operations. See "Risk Factors — The interruption of supply of natural gas or volatility of natural gas and crude oil prices may adversely affect our business and operations."

The price of natural gas fluctuates due to multiple interconnected factors, including primarily supply-demand dynamics, storage levels and regulatory policies. Supply-demand dynamics play a crucial role. Supply can be tightened by factors such as geopolitical tensions (e.g. Russia-Ukraine conflict), production cuts by major exporters and infrastructure, driving prices up. Conversely, mild winters or economic slowdowns may reduce demand, depressing prices. Storage levels also influence pricing. Low inventories often lead to price spikes, while high storage can suppress them. Additionally, regulatory policies (e.g. carbon taxes, export/import restrictions) and competition from alternative energy further contribute to price uncertainty.

In addition, we may not be able to pass through changes in upstream costs (e.g. import costs, pipeline tariffs) to our downstream end-users (e.g. residential and C&I customers) by domestic natural gas price adjustment on a timely basis. Such price adjustment process often requires government approval due to regulated pricing mechanisms. If price adjustment is delayed, we may face squeezed margins or even losses, as we must absorb rising procurements costs without corresponding downstream price increases.

Abrupt fluctuations could directly impact our revenue stability, profit margins, and cash flow predictability. To mitigate such risks, we use derivatives (e.g. options, swaps) to hedge against price volatility. By locking in prices or setting bounds on potential losses, derivatives provide financial stability, ensuring smoother budgeting and shielding balance sheets from extreme market movements.

We continue to monitor natural gas market movements closely and implement hedging strategies where feasible to mitigate potential adverse effects on our operations and financial results.

Growth of Our Integrated Energy Business and Value-added Business

With over 30 years of deep-rooted expertise in the natural gas industry, we have developed unparalleled capabilities across the entire value chain, which form the foundation that enables us to expand into other sectors and deliver high-quality customized energy solutions to our customers. We are actively pursuing a diversification strategy to unlock new growth opportunities while strengthening our resilience against market volatility. By expanding into integrated energy sectors and value-added business, we aim to reduce reliance on traditional gas sales and create multiple profit drivers.

The strategic expansion helps to establish a high-margin revenue streams beyond our core natural gas business, enhancing long-term profitability. In addition, it helps to create cross-selling opportunities among our different business segments and at the same time diversify our customer base across industrial, commercial and residential segments. It also provides countercyclical buffers against demand fluctuations. Such an approach ensures stable cash flows while positioning us to capitalizing on emerging opportunities in the energy transition.

Our diversified portfolio not only supports sustainable growth but also reinforces our ability to navigate economic and regulatory uncertainties. By leveraging existing customer relationships and operational expertise, we are well-positioned to capture value across the energy value chain while maintaining financial stability in a rapidly changing market environment.

Management of Working Capital

Our ability to effectively manage our working capital has affected and will continue to affect our cash flow from operations. We actively manage our trade receivables for sales of goods and provision of services, and our trade payables for goods and services from our suppliers. We leverage our scale to negotiate favorable contractual terms with our customers and suppliers. As of December 31, 2022, 2023 and 2024 and April 30, 2025, we recorded net current liabilities of RMB10,555 million, RMB3,318 million, RMB7,444 million and RMB5,746 million, respectively, primarily due to a significant amount of contract liabilities we recorded in our ordinary course of business. As of the same dates, our current portion of contract liabilities amounted to RMB17,402 million, RMB14,924 million, RMB14,487 million and RMB13,464 million, respectively, which represents primarily deposits that we received from clients for our continuous gas supply and services. Such contract liabilities will be recognized as revenue as the performance obligation is satisfied.

Business Expansion and Capital Expenditures

We operate a fully integrated natural gas company with a comprehensive business portfolio spanning upstream gas supply, midstream gas receiving terminals and storage infrastructure, and downstream gas sales and distribution, and other extended value-added energy solutions. Such a business model demands substantial investment in numerous infrastructures and equipment and adherence to strict safety production and environmental protection standards. Additionally, investing in advanced technology is crucial to address the challenges and intricacies associated with our natural gas sales business and other businesses, especially our integrated energy business.

Our capital expenditures amounted to approximately RMB13,614 million, RMB9,773 million and RMB8,515 million in 2022, 2023 and 2024, respectively, representing approximately 9.1%, 6.9% and 6.3% of our revenue for the same period, respectively. See "— Capital Expenditure" for a breakdown of our total capital expenditure during the Track Record Period.

The costs associated with our capital expenditure plans could have a significant impact on our financial condition and results of operations, particularly if we are unable to generate sufficient sales to recover our investment or generate a profit. Therefore, our management must consistently assess the necessary capital investments to achieve our sustainable production objectives and boost revenue growth, while taking into account competing cash needs and the subsequent increase in cost of sales due to higher depreciation costs. These factors could affect our business, financial standing, and operational outcomes.

Exchange Rate

Most entities of our Group use RMB as the functional currency, and most of our transactions are denominated in RMB. However, certain loans and notes issued by us, certain bank balances kept by us, as well as purchase and sale of LNG overseas are denominated in foreign currencies.

Major events and occurrences, domestic, international or economic in nature, can affect foreign exchange rates, and, consequently, our operations. These events include changes in inflation rates, interest rates, government debt, political stability, health crises, or economic events such as trade wars or recessions. Exchange rate fluctuations have affected our profitability and resulted in foreign currency exchange losses of our USD denominated bank loans and notes during the Track Record Period. In 2022, 2023 and 2024, we recognized loss on foreign exchange of RMB1,598 million, RMB390 million and RMB320 million, respectively.

We use derivative financial instruments to hedge our risks related to exchange rates. As of December 31, 2022, 2023 and 2024, the Foreign Currency Derivatives have a total notional amount of USD480 million, USD773 million and USD2,110 million, respectively, of which the maturity dates match the maturity dates of the relevant debts or transaction dates of certain highly probable LNG purchases denominated in USD. The cross currency swaps will enable us to buy USD at the predetermined rate of RMB/USD exchange rate on maturity dates.

Use of Derivative Financial Instruments and Hedge Accounting Treatment

We entered into various derivative financial instruments to manage our currency risks and commodity price risks during the Track Record Period, and our derivative financial instruments can be categorized as commodity derivatives and foreign currency derivatives. To effectively prevent the transaction price risk of natural gas, we lock in the natural gas price through commodity derivatives and manage our natural gas price risk exposure. To effectively prevent exchange rate risks related to our repayment of debt principal and interest payments, procurement of natural gas and other businesses, we manage the relevant exchange rate risk exposure through financial foreign exchange derivatives. We designate certain derivative contracts as hedging derivatives and classify them into unrealized and realized portions based on their maturity status. For hedging derivatives that apply hedge accounting, any gains or losses arising from the ineffective portion are included in the unrealized portion of derivatives reported under "Other Gains and Losses." Similarly, gains or losses arising from fluctuations in the fair value of derivatives that do not qualify for hedge accounting and remain unrealized are also included in the unrealized portion. For derivatives not subject to hedge accounting, any gains or losses from their settlement upon expiration are recorded under the realized portion of derivatives reported in "Other Gains and Losses." Gains or losses arising from fluctuations in the fair value of unrealized hedging derivatives that apply hedge accounting are accounted for in hedge reserves, while gains or losses from the settlement of hedging derivatives at expiration are recognized in the relevant income statement line item or in the carrying value of the hedged item.

We hedge the price risk of the our physical goods by buying or selling related commodity derivative contracts, effectively manage part of the price risk exposure of natural gas, and reduce the uncertainty of natural gas price fluctuations on our operating profit. We match appropriate foreign exchange hedging products according to the actual business scenarios and exposure types to reduce the impact of our exchange rate fluctuations. We strictly implement the hedging policy that aims to lock in stable returns through a physical and derivative combined approach. According to market changes and our own business conditions, we proactively manage our hedging strategy, continuously adjust and optimize it, to ensure that the hedging scale at any point in time does not exceed the actual exposure amount.

We employ hedge accounting (in compliance with HKFRS 9) when preparing our consolidated financial statements for the Track Record Period. You should note the following key considerations when reviewing our financial statements and the discussion in this section: (i) our operations involve active use of commodity derivative (e.g. options, swaps) to stabilize our natural gas costs. These instruments may introduce volatility to reported earnings, even when economically hedged; (ii) while hedge accounting reduces income statement fluctuations by aligning derivative gains/losses with underlying exposures, its effectiveness depends on strict qualification criteria. Any discontinuation of hedge accounting could affect comparability; (iii) derivative fair value changes may create temporary disparities between cash flows and accounting results.

See "— Derivative Financial Instruments" and Note 24 to the Accountants' Report in Appendix I to this Document.

BASIS OF PREPARATION AND PRESENTATION

To prepare and present the historical financial information for the Track Record Period, we have consistently applied HKFRSs Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for our annual accounting period beginning on January 1, 2024, except for any new standards or interpretations that are not yet effective for the accounting period beginning January 1, 2024. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning January 1, 2024 are set out in Note 2 to the Accountants' Report included in Appendix I to this Document. Our consolidated financial statement for the Track Record Period, from which our historical financial information discussed herein derived, were audited by our reporting accountants in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies that are material to the preparation of our financial information. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgements relating to accounting items. In each case, the determination of these items requires management judgements based on information and financial data that may change in future periods. There has not been any material deviation from our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future. When reviewing our financial information, you should consider amendments to accounting standards, implementation of new standards and changes in accounting policies may also require us to adjust the presentation of our financial statements, which could materially impact the comparability of our financial metrics and our financial results of operations.

We believe that the (i) material accounting information in relation to revenue from contracts with customers, financial instruments, basis of consolidation, property, plant and equipment, and impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill, as detailed in Note 3.2 of the Accountants' Report set out in Appendix I to this Document and (ii) accounting judgments and estimates including fair value measurement of financial instruments and depreciation of and impairment assessment of financial assets, as set out in details in Note 4 to the Accountants' Report set out in Appendix I to this Document are critical and/or involve the most important estimates and judgments we used in preparing our financial statements.

NON-HKFRS MEASURE

To supplement our consolidated statements of profit or loss which are presented in accordance with HKFRS, we also use core profit as non-HKFRS measure, which is not required by, or presented in accordance with, HKFRS. We believe that the presentation of non-HKFRS measure when shown in conjunction with the corresponding HKFRS measures provides useful information to potential investors and our management to evaluate our underlying results of operation by eliminating potential impacts of certain items that are non-cash, or do not affect our ongoing operating performance, and items not related to our ordinary course of business. Such non-HKFRS measure allows investors to consider matrices used by our management in evaluating our performance, and we have been communicating [**REDACTED**] of our Company and ENN Energy and our investors using the concept of core profit. From time to time in the future, there may be other items that we may exclude in reviewing our financial results. The core profit presented herein is based on data derived from our accounting records under established financial controls and reporting frameworks, which form the basis of the audit or review scrutiny as part of our reporting accountants' standard procedures, and were verified by the reporting accountants. We believe that it provides more insights into the underlying profitability of our core business.

The use of the non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for or superior to analysis of, our results of operations or financial condition as reported under HKFRS. In addition, the non-HKFRS financial measures may be defined differently from similar terms used by other companies. Furthermore, while our HKFRS financial statements have been audited or reviewed by our independent Reporting Accountants, the underlying data used for the non-HKFRS adjustment may not align with their eventual presentation in the HKFRS-compliant financial statements. It is important to note that these adjustments and underlying data inherently reflect our management's operational perspectives and accounting judgements consistently applied during the Track Record Period, which may diverge from strict HKFRS requirements or industry peers' reporting methodologies, even though these are reasonable for internal decision-making and reflect the underlying profitability of our core business. Investors should consider this distinction when evaluating our non-HKFRS measure presented in this Document.

The following table shows our adjusted core profit attributable to owners of the Company for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in millions)		
Profit for the year attributable to owners of the Company from continuing and discontinued operations	5,843	7,091	4,493
Adjusted for:			
Foreign exchange gains and losses	900	226	184
Changes in fair value of derivative financial instruments, financial assets at FVTPL and investment properties	(834)	1,172	98
Other impairment losses	85	1,709	355
Share-based payment expenses	73	20	11
Net (gain)/loss on disposal of non-current assets	–	(3,840)	2
Core profit attributable to owners of the Company	6,067	6,378	5,143

The adjusted items for our non-HKFRS measure generally are either non-cash items, or considered by us as not indicative of our ongoing core operating performance.

Foreign exchange gains and losses: we recorded loss on foreign exchange during the Track Record Period, primarily due to unrealized accounting gains/losses arising from the RMB/USD exchange rate fluctuations on our USD-denominated notes and bank loans as of December 31, 2022, 2023 and 2024. It is a non-cash item with no actual economic impacts on our results of operations.

Changes in fair value of derivative financial instruments, financial assets at FVTPL and investment properties: it is a non-cash item. We use derivative financial instruments to hedge against our risks and exposures to foreign exchange and commodity price fluctuations. Our derivative positions are fundamentally linked to physical trades as part of our structured hedging strategy. The fair value fluctuations in these derivatives represent temporary accounting difference that will naturally hedge against corresponding physical trade results upon settlement. Since we enter into derivatives to hedge actual commodity and foreign exchange exposures (as opposed to pursuing any speculative interest), viewing the paper losses/gains in isolation creates a distorted picture of our financial performance. By excluding such item, our derivatives and physical trades form an integrated economic unit (實紙結合), which provides a more accurate presentation of how our hedging strategy protects margins across the complete trade cycle, rather than showing artificial interim volatility from accounting standards that do not reflect our actual risk management outcomes.

Other impairment losses: impairment loss is a non-cash item with no actual economic impacts on our results of operations.

Share-based payment expenses: this item represent non-cash amortized stock incentive cost incurred in connection with our award to management and key employees. Such amortization in any specific period are not expected to result in future cash payments.

Net gain on disposal of non-current assets: disposal of non-current assets represents incidental transactions that fall outside of our core operating activities. These one-off events do not reflect the ongoing performance or substantiable earnings capacity of our business. By excluding this item, we eliminate distortions caused by atypical asset sales that would otherwise obscure the true underlying trends in our operational results.

In order to provide a complete and fair understanding of our core operating results and financial performance, especially in (i) making period-to-period comparisons of, and assessing the profile of, our operating and financial performance; and (ii) making comparisons with other comparable companies, we have removed the impacts from these adjusted items and presented the core profit.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table summarizes our results of operations for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(RMB in million, except for percentages)					
Continuing operations						
Revenue	150,020	100.0	141,115	100.0	134,946	100.0
Cost of sales	(129,658)	(86.4)	(122,691)	(86.9)	(116,588)	(86.4)
Gross profit	20,362	13.6	18,424	13.1	18,358	13.6
Other income	868	0.6	1,088	0.8	1,304	1.0
Other gains and losses	20	0.0	(539)	(0.4)	72	0.1
Distribution and selling expenses	(1,477)	(1.0)	(1,424)	(1.0)	(1,512)	(1.1)
Administrative expenses	(4,286)	(2.9)	(4,428)	(3.1)	(4,200)	(3.1)
Research and development expenses	(1,218)	(0.8)	(955)	(0.7)	(824)	(0.6)
Share of results of associates	151	0.1	180	0.1	328	0.2
Share of results of joint ventures	(18)	0.0	54	0.0	249	0.2
Finance costs	(1,296)	(0.9)	(1,340)	(0.9)	(1,139)	(0.8)
Profit before tax from continuing operations	13,106	8.7	11,060	7.9	12,636	9.4
Income tax expense	(3,367)	(2.2)	(2,787)	(2.0)	(2,692)	(2.0)
Profit for the year from continuing operations	9,739	6.5	8,273	5.9	9,944	7.4
Discontinued operation						
Profit for the year from discontinued operation	1,334	0.9	4,257	3.0	–	–
Profit for the year	**11,073**	**7.4**	**12,530**	**8.9**	**9,944**	**7.4**
Profit for the year attributable to owners of the Company						
From continuing operations	4,509	3.0	2,834	2.0	4,493	3.3
From discontinued operation	1,334	0.9	4,257	3.0	–	–
	5,843	3.9	7,091	5.0	4,493	3.3
Profit for the year attributable to non-controlling interests						
From continuing operations	5,230	3.5	5,439	3.9	5,451	4.0
Total	**11,073**	**7.4**	**12,530**	**8.9**	**9,944**	**7.4**

CONTINUING OPERATIONS

Revenue

Our revenue represents income from sales of our products and provision of our services.

Revenue by Business Segment

The following table summarizes our revenue by business segment (after elimination of intersegment revenue) for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Natural gas sales	120,199	80.1	109,275	77.4	103,774	76.9
– Retail of gas	70,051	46.6	69,453	49.2	67,241	49.9
– Wholesales of gas	33,834	22.6	29,173	20.7	23,649	17.5
– Direct gas sales by platform	16,314	10.9	10,649	7.5	12,884	9.5
Integrated energy business	12,052	8.0	15,192	10.8	15,565	11.5
Value-added business	3,534	2.4	3,960	2.8	4,779	3.5
Engineering construction and installation	8,440	5.6	8,517	6.0	5,936	4.4
Infrastructure operations	227	0.2	206	0.1	563	0.4
Energy production	5,568	3.7	3,965	2.9	4,329	3.3
Total	**150,020**	**100.0**	**141,115**	**100.0**	**134,946**	**100.0**

In 2022, 2023 and 2024, a majority of our revenue was derived from our sales of natural gas business, representing approximately 80.1%, 77.4% and 76.9% of our total revenue for the same year. Capitalized on our deep-rooted and extensive natural gas sales business, we have been proactively expanding our integrated energy business and value-added business, driving their increasing revenue contributions to our total revenue. In 2022, 2023 and 2024, revenue contribution from our integrated energy business increased from 8.0% in 2022 to 10.8% in 2023 and further to 11.5% in 2024. Similarly, revenue contribution from our value-added business increased from 2.4% in 2022 to 2.8% in 2023 and further to 3.5% in 2024.

Revenue from our sales of natural gas business is primarily driven by a combination of benchmark prices and contracted volumes. Against the backdrop of geopolitical tensions repercussions and global energy market realignment, natural gas prices have retreated, while sales volume have also been, to some extent, impacted. As a result, our revenue from sales of natural gas business fluctuated during the Track Record Period.

Revenue by Type

The following tables summarizes our revenue by business segment and by type of revenue for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Sales of goods	Provision of services	Sales of goods	Provision of services	Sales of goods	Provision of services
	(RMB in millions)					
Natural gas sales	120,199	–	109,275	–	103,774	–
– Retail of gas	70,051	–	69,453	–	67,241	–
– Wholesales of gas	33,834	–	29,173	–	23,649	–
– Direct gas sales by platform	16,314	–	10,649	–	12,884	–
Integrated energy business	11,205	847	14,217	975	14,712	853
Value-added business	2,411	1,123	2,297	1,663	2,562	2,217
Engineering construction and installation	–	8,440	–	8,517	–	5,936
Infrastructure operations	–	227	–	206	–	563
Energy production	5,568	–	3,965	–	4,329	–
Total	**139,383**	**10,637**	**129,754**	**11,361**	**125,377**	**9,569**

During the Track Record Period, 92.9%, 91.9% and 92.9% of our revenue was derived from sales of goods.

Revenue by Geographical Location

The following table summarizes our revenue by geographical location for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Mainland China	127,555	85.0	129,463	91.7	127,225	94.3
Overseas	22,465	15.0	11,652	8.3	7,721	5.7
Total	**150,020**	**100.0**	**141,115**	**100.0**	**134,946**	**100.0**

During the Track Record Period, a substantial part of our revenue were generated from mainland China.

Sales Volume and Average Selling Price

The table below sets forth our sales volume of our natural gas sales businesses for the years indicated:

	Year ended December 31,		
	2022	**2023**	**2024**
		('000 m^3)	
Retail of gas			
– Residential households	4,075,170	4,075,542	3,844,653
– C&I customers	17,207,960	17,060,568	16,830,399
– Gas sold through vehicles gas refueling stations	317,645	246,497	214,069
– **Total retail of gas**	21,600,775	21,382,607	20,889,121
Wholesale of gas	6,755,547	8,476,566	7,451,015
Direct Gas Sales by Platform	3,507,019	5,049,931	5,568,150
Total	**31,863,341**	**34,909,104**	**33,908,286**

The table below sets forth our average selling price (exclusive of VAT) of our retail and wholesale of gas businesses for the years indicated:

	Year ended December 31,		
	2022	**2023**	**2024**
		(RMB/m^3)	
Retail of gas	3.24	3.25	3.22
Wholesale of gas	5.02	3.44	3.23

The pricing of retail of gas in China operates under a government-guided pricing framework. Generally, the natural gas sales price is calculated as the procurement cost plus gas distribution fees, with city gas distribution prices regulated under the Guidance on Strengthening the Regulation of Gas Distribution Prices (《關於加強配氣價格監管的指導意見》). Pricing of whole of gas and direct gas sales by platform is not subject to regulatory price control and is generally driven by market demand and supply. For details, see "Business — Our Business — Natural Gas Sales Business — Pricing and Payment of Natural Gas Sales."

Cost of Sales

The following table sets forth the breakdown of our cost of sales by business segment for the periods indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Natural gas sales						
– Retail of gas	62,697	48.4	61,876	50.4	59,352	50.9
– Wholesales of gas	31,192	24.1	27,979	22.8	23,604	20.2
– Direct gas sales by platform	13,230	10.2	8,736	7.1	10,813	9.3
Integrated energy business	10,425	8.0	13,230	10.8	13,248	11.4
Value-added business	1,385	1.0	1,403	1.1	1,731	1.5
Engineering construction and installation	5,021	3.9	5,150	4.2	3,689	3.2
Infrastructure operations	102	0.1	70	0.1	158	0.1
Energy production	5,606	4.3	4,247	3.5	3,993	3.4
Total	**129,658**	**100.0**	**122,691**	**100.0**	**116,588**	**100.0**

We operate multiple business segments. Given the varying nature of these businesses, cost structure are categorized differently across these business segments. The following table sets forth breakdown of our cost of sales by nature for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Natural gas						
– for retail of gas	62,697	48.4	61,876	50.4	59,352	50.9
– for wholesales of gas	31,192	24.1	27,979	22.8	23,604	20.2
– for direct gas sales by platform	13,230	10.2	8,736	7.1	10,813	9.3
– Total natural gas	***107,119***	***82.7***	***98,591***	***80.3***	***93,769***	***80.4***
Others	22,539	17.3	24,100	19.7	22,819	19.6
Total	**129,658**	**100.0**	**122,691**	**100.0**	**116,588**	**100.0**

Natural gas cost is the largest component of our cost of sales during the Track Record Period. In 2022, 2023 and 2024, natural gas cost accounted for approximately 82.7%, 80.3% and 80.4%, respectively, of our total cost of sales for the same year.

Gross Profit and Gross Margin

Our gross profit represents our revenue less cost of sales. In 2022, 2023 and 2024, our gross profit was RMB20,362 million, RMB18,424 million and RMB18,358 million, respectively. For the purposes of resource allocation and performance assessment, we prepare segment profit, which represents the profit earned by each segment without allocation of full amount of administrative expenses, research and development expenses, distribution and selling expenses, share of results of associates and joint ventures, other income, other gains and losses and finance costs except for depreciation and amortization.

Gross Profit and Gross Margin by Segment

The following table sets forth breakdown of gross profit and gross margin by business segment for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	(RMB in millions, except percentages)					
Natural gas sales	13,080	10.9	10,684	9.8	10,005	9.6
– Retail of gas	7,354	10.5	7,577	10.9	7,889	11.7
– Wholesales of gas	2,642	7.8	1,194	4.1	45	0.2
– Direct gas sales by platform	3,084	18.9	1,913	18.0	2,071	16.1
Integrated energy business	1,627	13.5	1,962	12.9	2,317	14.9
Value-added business	2,149	60.8	2,557	64.6	3,048	63.8
Engineering construction and installation	3,419	40.5	3,367	39.5	2,247	37.9
Infrastructure operations	125	55.1	136	66.0	405	71.9
Energy production	(38)	(0.7)	(282)	(7.1)	336	7.8
Total	**20,362**	**13.6**	**18,424**	**13.1**	**18,358**	**13.6**

Gross margin of our sales of natural gas business was affected by international natural gas price surge caused by geopolitical tensions, and fluctuated during the Track Record Period.

We have been expanding our infrastructure operation capability, primarily our Zhoushan LNG Receiving Terminal. As a result, gross margin of our infrastructure operations increased from 55.1% in 2022 to 66.0% in 2023 and further to 71.9% in 2024.

Other Income

Our other income primarily include: (i) incentive subsidies, representing mainly tax-related incentives and other incentives related to our operation by the government authorities in various cities of the PRC; (ii) dividend income from financial asset at FVTPL; (iii) interest income on bank deposits; (iv) interest income on loan receivables, which was generated from loans lent by ENN Finance, one of our subsidiaries holding a finance permit (金融許可證) and carrying out financial services; and (v) rental income from investment properties and equipment.

The following table sets forth details of our other income for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in millions)		
Incentive subsidies	388	514	558
Dividend income from equity instruments at FVTOCI	7	22	14
Dividend income from financial asset at FVTPL	127	133	128
Interest income on bank deposits	136	224	377
Interest income on loan receivables from joint venture, associate and related parties	–	5	15
Interest income on loan receivables	125	88	74
Rental income from investment properties	60	68	99
Rental income from equipment	25	34	39
Total	**868**	**1,088**	**1,304**

Other Gains and Losses

Our other gains and losses primarily include: (i) net (loss)/gain on disposal of various assets, rights and equity interest that we owned during the Track Record Period; (ii) decrease in fair value of investment properties; (iii) net gain/(loss) of our financial assets; (iv) impairment losses from our trade and other receivables, contract assets and amounts due from associates, joint ventures and related companies; (v) (loss)/gain on remeasurement of the interest in a joint ventures/an associates; (vi) impairment losses recognized in respect of our certain tangible and intangible assets; (vii) loss on foreign exchange, a majority of which during the Track Record Period derived from the translation of notes and bank loans denominated in USD to RMB; and (viii) others.

We are exposed to a variety of financial risks including, among other risks, currency risks and commodity price risks. We entered into various derivative financial instruments to manage our currency risks and commodity price risks. Net gain/(loss) of such derivative financial instruments will be accounted for as our other gains and losses. See "— Continuing Operations — Derivative Financial Instruments" and Note 24 to the Accountants' Report in Appendix I to this Document.

We review the carrying amounts of our property, plant and equipment at the end of each reporting period, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. In 2023, we recorded impairment loss recognized in respect of our property, plant and equipment of RMB2,009 million, because (i) we made impairment losses on our coal-based methanol production facilities (煤制甲醇裝置) used in our energy production business, considering the increasing competition in the methanol supply market, the increasing costs for producing coal-based methanol and the general promotion for energy efficiency and carbon emission reduction technologies; and (ii) natural gasoline units (穩定氫烴裝置) and their ancillary facilities used in our energy production business were assessed by our Company as economically non-viable and were consequently decommissioned, in light of the Announcement on Implementing Consumption Tax Policy on Certain Refined Oil Products (《關於部分成品油消費稅政策執行口徑的公告》) made by MOF and State Taxation Administration of the PRC on June 30, 2023, which for the first time imposes consumption tax on natural gasoline.

The following table sets forth details of our gains and losses for the years indicated:

	Year ended December 31,		
	2022	**2023**	**2024**
		(RMB in millions)	
Net (loss)/gain on disposal of:			
– Property, plant and equipment	(148)	(71)	(75)
– Right-of-use assets	68	5	5
– Intangible assets	–	3	–
– Subsidiaries	(4)	(70)	43
– Joint ventures/associates	2	–	2
Decrease in fair value of investment properties	(35)	(9)	(16)
Net gain/(loss) of:			
– Derivative financial instruments	1,781	1,241	378
– Financial asset at FVTPL	(33)	53	204
– Repurchase of notes	21	287	103
– Fair value change of awarded shares	10	14	3
Impairment losses under ECL model, net of reversal:			
– Trade and other receivables	(288)	(425)	(376)
– Contract assets	(116)	(10)	(30)
– Amounts due from associates	(42)	28	(8)
– Amounts due from joint ventures	23	3	(35)
– Amounts due from related companies	(1)	(3)	(2)
Gain/(loss) on remeasurement of the interest in a joint venture/ an associate	2	192	(3)
Impairment losses recognized in respect of:			
– Property, plant and equipment	(93)	(2,009)	(120)
– Intangible assets	(33)	(16)	(43)
– Goodwill	–	(16)	–
– Inventories	–	–	(110)
Loss on foreign exchange, net	(1,598)	(390)	(320)
Others	504	654	472
Total	**20**	**(539)**	**72**

Distribution and Selling Expenses

Our distribution and selling expenses primarily include: (i) employee benefit expense for our salespersons; (ii) depreciation and amortization; (iii) maintenance fee for our retail of gas business; (iv) traveling expenses; (v) marketing and business expenses; and (vi) others.

The following table sets forth details of our distribution and selling expenses for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Employee benefit expense	855	57.9	869	61.0	1,012	66.9
Depreciation and amortization	187	12.7	210	14.7	232	15.3
Maintenance fees	277	18.8	156	11.0	102	6.7
Traveling expenses	18	1.2	23	1.6	24	1.6
Marketing and business expenses	115	7.8	126	8.9	103	6.9
Leasing fee	14	0.9	21	1.5	21	1.4
Professional service fee	5	0.3	9	0.6	13	0.9
Others	6	0.4	10	0.7	5	0.3
Total	**1,477**	**100.0**	**1,424**	**100.0**	**1,512**	**100.0**

In 2022, 2023 and 2024, our distribution and selling expenses represented 1.0%, 1.0% and 1.1%, respectively, of our total revenue for the same periods.

Administrative Expenses

Our administrative expenses primarily include: (i) employee benefits expenses for our management and administrative staff; (ii) share-based payment expenses; (iii) depreciation and amortization; (iv) maintenance expenses for general office use; (v) professional service and consulting expenses for professional third parties that we engage during the ordinary course of business; (vi) traveling expenses; (vii) office expenses; (viii) donations; (ix) disposal losses; and (x) others, which include various sundry expenses.

The following table sets forth details of our administrative expenses for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions, except percentages)					
Employee benefit expense	2,239	52.2	2,382	53.8	2,225	53.0
Share-based payment expense	92	2.1	26	0.6	11	0.3
Depreciation and amortization	595	13.9	648	14.6	655	15.6
Maintenance expenses	119	2.8	99	2.2	129	3.1
Professional service and consulting expense	194	4.5	173	3.9	181	4.3
Traveling expenses	158	3.7	195	4.4	204	4.9
Office expenses	372	8.7	371	8.4	411	9.8
Donations	25	0.6	58	1.3	31	0.7
Disposal losses	46	1.1	39	0.9	66	1.6
Others	446	10.4	437	9.9	287	6.7
Total	**4,286**	**100.0**	**4,428**	**100.0**	**4,200**	**100.0**

In 2022, 2023 and 2024, our administrative expenses represented 2.9%, 3.1% and 3.1%, respectively, of our total revenue for the same periods.

Research and Development Expenses

Our research and development expenses primarily include (i) employee benefit for our R&D personnel; (ii) materials used in the R&D activities; (iii) depreciation for equipment used for R&D activities; and (iv) consultant expenses and outsourcing processing fee. We carry out R&D activities primarily for our natural gas sales business, integrated energy business and engineering construction business, as well as for our general digital and intelligent transformation initiatives.

The following table sets forth details of our research and development expenses for the years indicated:

	For the year ended December 31,					
	2022		2023		2024	
	Amount	% of total	Amount	% of total	Amount	% of total
Employee benefit	431	35.4	402	42.1	373	45.3
Material consumption	551	45.2	331	34.7	287	34.8
Depreciation	132	10.8	130	13.6	102	12.4
Water and electricity	25	2.1	24	2.5	29	3.5
Test and inspection fee	6	0.5	5	0.5	2	0.2
Consultation expenses	10	0.8	7	0.7	2	0.2
Outsourcing processing fee	9	0.7	23	2.4	1	0.1
Other	54	4.5	33	3.5	28	3.5
	1,218	100.0	955	100.0	824	100.0

In 2022, 2023 and 2024, our research and development expenses represented 0.8%, 0.7% and 0.6%, respectively, of our total revenue for the same periods.

Share of Results of Associates

Our share of results of associates represents our share of profits or losses from our long-term investments in our associates. We make long-term strategic investments in these associates to better align our interest.

In 2022, 2023 and 2024, our share of results of associates was RMB151 million, RMB180 million and RMB328 million, respectively. ENN Changsha Co. Ltd. ("**ENN Changsha**", 長沙新奧燃氣有限公司), our former subsidiary, became an associate of our Company since September 2023 after we sold 6% equity interest of ENN Changsha. Therefore, our share of results of associates increased during the Track Record Period primarily due to this change.

Share of Results of Joint Ventures

Our share of results of joint ventures primarily represents our share of results from our long-term investments in our joint ventures. We make long-term strategic investments in these joint ventures to better align our interest.

We recorded loss from share of results of joint ventures of RMB18 million in 2022, and gain from share of results of joint ventures of RMB54 million and RMB249 million in 2023 and 2024, respectively. We benefited from the results of joint ventures in the natural gas industry with high concentration in residential natural gas sales in 2024, which in turn benefited from the natural gas prices adjustment upstream and downstream for residential supplies in 2024.

Finance Cost

Our finance cost include primarily interest on bank loans and other borrowings, notes and lease liabilities.

For finance cost incurred from borrowings specifically and generally for the purpose of expenditure on qualifying assets, such as pipelines constructed for our natural gas sales business and Zhoushan LNG Receiving Terminal Phase III construction project, the relevant finance cost was capitalized during the Track Record Period, applying a capitalization rate of 3.25%, 3.53% and 3.32% per annum, respectively.

The following table sets forth details of our finance cost for the years indicated:

	Year ended December 31,		
	2022	2023	2024
	(RMB in millions)		
Interest on:			
– Bank and other loans	832	860	765
– Notes	540	577	496
– Lease liabilities	22	22	25
	1,394	1,459	1,286
Less: amount capitalized under properties under construction	(116)	(113)	(119)
	1,278	1,346	1,167
Fair value loss/(gain) on foreign currency derivative designated as cash flow hedges for USD debts[(1)]	18	(6)	(28)
Total	**1,296**	**1,340**	**1,139**

Note:

(1) Representing differentiating between amounts for which hedge accounting had previously been used, but for which the hedged future cash flows are no longer expected to occur, and the amounts that have been transferred because the hedged item has affected profit or loss, for cash flow hedges we use during the Track Record Period.

Income Tax Expense

Our income tax expense substantially represents PRC enterprise income tax. Under the EIT Law and Implementation Regulation of the EIT Law, the tax rate applicable for our PRC subsidiaries is 25% in 2022, 2023 and 2024. In addition, certain of our subsidiaries are qualified as "High and New Technology Enterprises", which are subject to a preferential enterprise income tax rate of 15% of the estimated assessable profit as determined in accordance with relevant tax rules and regulations in the PRC. This preferential rate could be applied for three years and the subsidiaries are eligible to apply the tax concession again upon expiry of the three-year period.

For tax jurisdictions outside the mainland China, income tax is calculated at the range of 10% to 17.0% of the estimated assessable profit in 2022, 2023 and 2024.

As of the Latest Practicable Date, we did not have any dispute with any tax authority.

Profit for the Year from Discontinued Operation

In 2023, to align with our focus on clean energy, we completed the Xinneng Mining Disposal, pursuant to which we disposed Xinneng Mining, our only subsidiary engaging in coal production business. The Xinneng Mining Disposal was settled by cash between August 9, 2023 and October 13, 2023. After that, we ceased our operations in coal production business completely. As a result, the coal production business is classified as a discontinued operation. There is no other discontinued operation for our business during the Track Record Period. See "History and Corporate Structure — Major Acquisitions, Disposals and Mergers — Xinneng Mining Disposal" and Note 13 of the Accountants' Report in Appendix I of this Document.

In 2022, 2023 and 2024, our discontinued operation recorded profit of RMB1,334 million, RMB4,257 million and nil, respectively, accounting to approximately 12.0%, 34.0% and nil, respectively, of our net profit for the same year.

Profit for the Year

As a result of the above, we recorded profit for the year of RMB11,073 million, RMB12,530 million and RMB9,944 million for 2022, 2023 and 2024, respectively.

COMPARISON OF RESULTS OF OPERATIONS

Year ended December 31, 2024 Compared to Year ended December 31, 2023

Revenue

Our revenue decreased by 4.4% to RMB134,946 million in 2024 from RMB141,115 million in 2023, primarily due to decreases in our natural gas sales business and engineering construction and installation business.

Revenue from our natural gas sales business decreased by 5.0% to RMB103,774 million in 2024 from RMB109,275 million in 2023, primarily due to decreases in retail and wholesale of gas business, which was partially offset by an increase in direct gas sales by platform business. Sales volume of our natural gas sales business decreased by 2.9% to 33.9 billion m^3 in 2024 from 34.9 billion m^3 in 2023.

- For our retail of gas business, revenue remained relatively stable at RMB67,241 million in 2024 and RMB69,453 million in 2023, while the sales volume also remained relatively stable at 20.9 billion m^3 in 2024 and 21.4 billion m^3 in 2023.

- For our wholesale of gas business, revenue decreased by 18.9% to RMB23,649 million in 2024 from RMB29,173 million in 2023, primarily due to decreased sales volume affected by weaker demands of our natural gas trading customers, and decreased average selling price for our wholesale of gas business as natural gas price had continued to retreat from prior surge.

- For our direct gas sales by platform business, revenue increased by 21% to RMB12,884 million in 2024 from RMB10,649 million in 2023, which reflected primarily our increased sales volume with our expanded natural gas resources. Sales volume of our direct gas sales by platform business increased by 10.3% to 5.6 billion m^3 in 2024 from 5.1 billion m^3 in 2023.

Revenue from our integrated energy business increased by 2.5% to RMB15,565 million in 2024 from RMB15,192 million in 2023, as we continue to grow our integrated energy business leveraging our in-depth understanding of natural gas and other clean energies, and our relentless commitment in energy conservation and emission reduction. Our sales of integrated energy in the aggregate increased by 7.5% to 328.6 million kWh in 2024 from 305.8 million kWh in 2023.

Revenue from our value-added business increased by 20.7% to RMB4,779 million in 2024 from RMB3,960 million in 2023, primarily due to continuous sales efforts in developing our value-added business. Sale volume of Gratle products, our own brand, increased by 62.2% in 2024 compared to last year. In 2024, the aggregate contract value for our smart IoT products reached RMB820 million.

Revenue from our engineering construction and installation business decreased by 30.3% to RMB5,936 million in 2024 from RMB8,517 million in 2023, primarily due to (i) a decrease in construction and installation business as affected by real estate market adjustments in China; and (ii) the slower progress in engineering construction projects.

Revenue from our infrastructure operations increased significantly to RMB563 million in 2024 from RMB206 million in 2023, which was attributed to our continuously growing gas receiving, processing and storage capabilities. As of December 31, 2024, the maximum annual designed gas processing capacity of our Zhoushan LNG Receiving Terminal reached 7.5 million tons, supported by a subsea pipeline annual transmission capacity of 8.0 million tons.

Revenue from our energy production business increased by 9.2% to RMB4,329 million in 2024 from RMB3,965 million in 2023, primarily due to increased sales of methanol and increased trading of energy products in 2024.

Cost of Sales

Our cost of sales decreased by 5.0% to RMB116,588 million in 2024 from RMB122,691 million in 2023, which was largely in line with our decrease in revenue over the same years. Our cost of sales as a percentage of our total revenue decreased to 86.4% in 2024 from 86.9% in 2023.

Gross Profit and Gross Margin

Our gross profit remained relatively stable at RMB18,358 million in 2024 and RMB18,424 million in 2023. Our gross margin also remained relatively stable at 13.6% in 2024 and 13.1% in 2023.

Gross profit of our natural gas sales business remained relatively stable at RMB10,005 million in 2024 and RMB10,684 million in 2023, and gross margin of our natural gas sales business also remained relatively stable at 9.6% in 2024 and 9.8% in 2023.

- For our retail of gas business, gross profit increased by 4.1% to RMB7,889 million in 2024 from RMB7,577 million in 2023, and gross margin increased to 11.7% in 2024 from 10.9% in 2023. This is primarily due to (i) residential gas tariff upward adjustment in 2024; and (ii) domestic gas prices, which rose driven by the international natural gas price surge, have continually retreated in 2024, easing pressure on C&I customers and allowing our spreads to recover.

- For our wholesale of gas business, gross profit decreased by 96.2% to RMB45 million in 2024 from RMB1,194 million in 2023, and gross margin dropped to 0.2% in 2024 from 4.1% in 2023, primarily because we made more gas wholesales with wider spreads in 2023 benefiting from the gas price fluctuation.

- For our direct gas sales by platform business, gross profit increased by 8.3% to RMB2,071 million in 2024 from RMB1,913 million in 2023, and the gross margin decreased to 16.1% in 2024 from 18.0% in 2023, primarily because gas price volatility triggered by geopolitical tensions has moderated, with narrowing spreads during the stabilization process compressing gross margins.

Gross profit of our integrated energy business increased by 18.1% to RMB2,317 million in 2024 from RMB1,962 million in 2023 as our integrated energy business grew in size with more projects in 2024. The gross margin of our integrated energy business increased to 14.9% in 2024 from 12.9% in 2023, as a result of the effect of economies of scale.

Gross profit of our value-added business increased by 19.2% to RMB3,048 million in 2024 from RMB2,557 million in 2023, which is generally in line with our growth in revenue in this segment. Gross margin of our value-added business remained relatively stable at 63.8% in 2024 and 64.6% in 2023.

Gross profit of our engineering construction and installation business decreased by 33.3% to RMB2,247 million in 2024 from RMB3,367 million in 2023, primarily due to the reduced revenue in 2024. Gross margin of our engineering construction and installation business dropped to 37.9% in 2024 from 39.5% in 2023, primarily affected by the decreased in our construction and installation business which generally generates higher gross margins for our engineering construction and installation business and demonstrated a decreasing trend during the Track Record Period as affected by the downturn in real estate market in China.

Gross profit of our infrastructure operations business increased significantly to RMB405 million in 2024 from RMB136 million in 2023, which is generally in line with our growth in revenue in this segment. Gross margin of our infrastructure operations business increased to 71.9% in 2024 from 66.0% in 2023, primarily due to enhanced operational efficiency as a result of economies of scale.

Gross profit/(loss) of our energy production turned positively to gross profit of RMB336 million in 2024 from gross loss of RMB282 million in 2023, and gross margin of our other energy resources increased to 7.8% in 2024 from gross margin loss of 7.1% in 2023, primarily due to a decline in thermal coal prices (a key methanol feedstock) in 2024, which reduced our methanol production cost.

Other Income

Our other income increased by 19.9% to RMB1,304 million in 2024 from RMB1,088 million in 2023, primarily due to (i) an increase of RMB153 million in interest income on bank deposits from increases in interest size and rate of our USD bank deposit; and (ii) an increase of RMB44 million in incentive subsidies related to our coal-to-gas conversion projects.

Other Gains and Losses

Our other gains and losses increased significantly to net gains of RMB72 million in 2024 from net losses of RMB539 million in 2023, primarily due to a decrease of RMB1,889 million in impairment losses recognized in respect of property, plant and equipment, which was offset partially by a decrease of RMB863 million in net gain of derivative financial instruments.

We recorded impairment losses recognized in respect of property, plant and equipment of RMB2,009 million in 2023, primarily because we made impairment losses on (i) our coal-based methanol production facilities used in our energy production business; and (ii) natural gasoline units and their ancillary facilities used in our energy production business.

Our net gain of derivative financial instruments of decreased to RMB378 million in 2024 from RMB1,241 million in 2023, due to decreased net realized gain from derivative not designated in hedge accounting.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 6.2% to RMB1,512 million in 2024 from RMB1,424 million in 2023, primarily due to an increase of RMB143 million in staff cost with an increased number of salespersons in 2024 and enhanced incentives for top-performing salespersons to drive revenue growth and market expansion, which was partially offset by a decrease of RMB54 million in maintenance fees due to the disposal of ENN Changsha as we still recorded its maintenance fees before the disposal in 2023.

Administrative Expenses

Our administrative expenses decreased by 5.1% to RMB4,200 million in 2024 from RMB4,428 million in 2023, primarily due to a decrease of RMB157 million in employee benefit expenses as we reduced the number of administrative staffs to streamline our process and increase efficiency.

Research and Development Expenses

Our research and development expenses decreased by 13.7% to RMB824 million in 2024 from RMB955 million in 2023, primarily because (i) certain research projects entered into the development phase and had their expenditures capitalized in 2024; and (ii) we had reduced research projects as well as reduced number of R&D personnel in 2024.

Finance Cost

Our finance cost decreased by 15% to RMB1,139 million in 2024 from RMB1,340 million in 2023, primarily due to reduced size in bank loans and USD bonds.

Profit for the Year

As a result of the above, our profit for the year decreased by 20.6% to RMB9,944 million in 2024 from RMB12,530 million in 2023.

Year ended December 31, 2023 Compared to Year ended December 31, 2022

Revenue

Our revenue decreased by 5.9% to RMB141,115 million in 2023 from RMB150,020 million in 2022, primarily due to decreases in our natural gas sales business and energy production business, which was partially offset by increases in integrated energy business and value-added business.

Revenue from our natural gas sales business decreased by 9.1% to RMB109,275 million in 2023 from RMB120,199 million in 2022, while sales volume of our natural gas sales business increased by 9.6% to 34.9 billion m^3 in 2023 from 31.9 billion m^3 in 2022, as the natural gas price surge caused by the geopolitical tensions has gradually subsided.

- For our retail of gas business, revenue decreased by 0.9% to RMB69,453 million in 2023 from RMB70,051 million in 2022, primarily affected by a decrease of 1.0% in our sales volume of retail of gas in 2023.

- For our wholesale of gas business, revenue decreased by 13.8% to RMB29,173 million in 2023 from RMB33,834 million in 2022, despite an increase of 25.0% in sales volume of natural gas whole sales to 8.5 billion m^3 in 2023 from 6.8 billion m^3 in 2022. The average selling price of natural gas wholesales decreased to RMB3.44/m^3 in 2023 from RMB5.02/m^3 in 2022. These was because we seized the opportunity of the natural gas price surge in 2022 and sold our natural gas with a higher price in 2022, and the natural gas price gradually decreased in 2023.

- For our direct gas sales by platform business, revenue decreased by 34.7% to RMB10,649 million in 2023 from RMB16,314 million in 2022, despite an increase of 45.7% in sales volume of our direct gas sales by platform business to 5.1 billion m^3 in 2023 from 3.5 billion m^3 in 2022. This was primarily due to the increased revenue in 2022 after the natural gas price surge.

Revenue from our integrated energy business increased by 26.1% to RMB15,192 million in 2023 from RMB12,052 million in 2022, as we continue to grow our integrated energy business leveraging our in-depth understanding of natural gas and other clean energies, and our relentless commitment in energy conservation and emission reduction. Our sales of integrated energy in the aggregate increased by 55.4% to 305.8 million kWh in 2023 from 196.8 million kWh in 2022.

Revenue from our value-added business increased by 12.1% to RMB3,960 million in 2023 from RMB3,534 million in 2022, primarily due to continuous sales efforts in developing our value-added business. We have been proactively promoting LoRa-based IoT development, and providing more convenient and personalized services and contents to our customers.

Revenue from our engineering construction and installation business remained relatively stable at RMB8,517 million in 2023 and RMB8,440 million in 2022.

Revenue from our infrastructure operations remained relatively stable at RMB206 million in 2023 and RMB227 million in 2022.

Revenue from our energy production business decreased by 28.8% to RMB3,965 million in 2023 from RMB5,568 million in 2022, primarily due to reduced coal trading business as a result of our disposal of coal production and related assets after the Xinneng Mining Disposal.

Cost of Sales

Our cost of sales decreased by 5.4% to RMB122,691 million in 2023 from RMB129,658 million in 2022. Our cost of sales as a percentage of our total revenue increased to 86.9% in 2023 from 86.4% in 2022.

Gross Profit and Gross Margin

Our gross profit decreased by 9.5% to RMB18,424 million in 2023 from RMB20,362 million in 2022. Our gross margin also remained relatively stable at 13.1% in 2023 and 13.6% in 2022.

Gross profit of our natural gas sales business decreased by 18.3% to RMB10,684 million in 2023 from RMB13,080 million in 2022, and gross margin of our natural gas sales decreased to 9.8% in 2023 from 10.9% in 2022.

- For our retail of gas business, gross profit increased slightly by 3.0% to RMB7,577 million in 2023 from RMB7,354 million in 2022, and gross margin increased slightly to 10.9% in 2023 from 10.5% in 2022, as easing natural gas price spike allowed cost of sales declines to gradually restore our spreads.

- For our wholesale of gas business, gross profit decreased by 54.8% to RMB1,194 million in 2023 from RMB2,642 million in 2022, and gross margin dropped to 4.1% in 2023 from 7.8% in 2022, primarily because we made more gas wholesales with wider spreads in 2022 benefiting from the gas price surges.

- For our direct gas sales by platform business, gross profit decreased by 38.0% to RMB1,913 million in 2023 from RMB3,084 million in 2022, primarily affected by the decreased gas price in 2023 compared to 2022. Gross margin remained relatively stable at 18.0% in 2023 and 18.9% in 2022.

Gross profit of our integrated energy business increased by 20.6% to RMB1,962 million in 2023 from RMB1,627 million in 2022, as our business expanded and completed more projects. Gross margin of our integrated energy business decreased to 12.9% in 2023 from 13.5% in 2022, as we completed more projects with higher margins in 2022 than in 2023.

Gross profit of our value-added business increased by 19.0% to RMB2,557 million in 2023 from RMB2,149 million in 2022, which is generally in line with our growth in revenue in this segment. Gross margin of our value-added business remained increased to 64.6% in 2023 from 60.8% in 2022.

Gross profit of our engineering construction and installation business remained relatively stable at RMB3,367 million in 2023 and RMB3,419 million in 2022. Gross margin of our engineering construction also remained relatively stable at 39.5% in 2023 and 40.5% in 2022.

Gross profit of our infrastructure operations business increased by 8.8% to RMB136 million in 2023 from RMB125 million in 2022, and gross margin of our infrastructure operations business increased to 66.0% in 2023 in 55.1% in 2022, as we continued to expand our capacities of midstream infrastructure and increase our operation efficiency.

Gross loss of our energy production increased significantly to RMB282 million in 2023 from RMB38 million in 2022, which was primarily due to decreased selling prices of methanol in 2023.

Other Income

Our other income increased by 25.3% to RMB1,088 million in 2023 from RMB868 million in 2022, primarily due to (i) an increase of RMB126 million in incentive subsidies related to industry support as well as best practice management subsidy in cities such as Ningbo and Hangzhou, and (ii) an increase of RMB88 million in interest income on bank deposits from increases in interest rate applicable to our USD bank deposit.

Other Gains and Losses

Our other gains and losses decreased significantly to net losses of RMB539 million in 2023 from net gains of RMB20 million in 2022, primarily due to (i) an increase of RMB1,916 million in impairment losses recognized in respect of property, plant and equipment, and (ii) a decrease of RMB540 million in net gain of derivative financial instruments, which was offset partially by a decrease of RMB1,208 million in loss on foreign exchange, net.

We recorded impairment losses recognized in respect of property, plant and equipment of RMB2,009 million in 2023. See "— Comparison of Results of Operations — Year ended December 31, 2024 Compared to Year ended December 31, 2023 — Other Gains and Losses."

Our net gain of derivative financial instruments of decreased to RMB1,241 million in 2023 from RMB1,781 million in 2022, because unrealized net gains from derivatives not designated in hedge accounting decreased in 2023 compared to 2022.

Distribution and Selling Expenses

Our distribution and selling expenses decreased by 3.6% to RMB1,424 million in 2023 from RMB1,477 million in 2022, primarily due to a decrease of RMB121 million in maintenance fees as we disposed ENN Changsha and the reduced demands for gas meters replacement.

Administrative Expenses

Our administrative expenses increased by 3.3% to RMB4,428 million in 2023 from RMB4,286 million in 2022, primarily due to an increase of RMB143 million in employee benefit expenses as a result of increased bonus in 2023.

Research and Development Expenses

Our research and development expenses decreased by 21.6% to RMB955 million in 2023 from RMB1,218 million in 2022, as (i) we had completed some major research projects in 2023; and (ii) our disposal of ENN Changsha had resulted in reduced research and development expenses.

Finance Cost

Our finance cost remained relatively stable at RMB1,340 million in 2023 and RMB1,296 million in 2022.

Profit for the Year

As a result of the above, our profit for the year increased by 13.2% to RMB12,530 million in 2023 from RMB11,073 million in 2022.

LIQUIDITY AND CAPITAL RESOURCES

Our use of cash was primarily related to operating activities and capital expenditure. We have historically financed our operations through cash generated from our operating activities, investing activities and financing activities. As of December 31, 2024 and April 30, 2025, we had available cash and cash equivalents of RMB15,364 million and RMB13,163 million, respectively. Our available cash and cash equivalents comprise cash denominated in USD, RMB and Hong Kong dollar. See Note 30 to the Accountants' Report in Appendix I to this Document for more details.

Summary Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated:

	As of and for the year ended December 31,		
	2022	2023	2024
	(RMB in millions)		
Net cash flows generated from operating activities	14,769	13,453	13,710
Net cash flows (used in)/generated from investing activities	(6,619)	2,650	(6,440)
Net cash flows used in financing activities	(9,677)	(8,291)	(10,733)
Net (decrease)/increase in cash and cash equivalents	**(1,527)**	**7,812**	**(3,463)**
Cash and cash equivalents at the beginning of the year	12,412	10,955	18,776
Effect of foreign exchange rate changes	70	9	51
Cash and cash equivalents at the end of the year	**10,955**	**18,776**	**15,364**

Operating Activities

Our cash flows generated from operating activities reflect our profit before income tax adjusted for (i) non-cash and non-operating items (such as depreciation of property, plant and equipment, finance costs, net gain on fair value change of derivative financial instruments, and gain on disposal of subsidiaries); (ii) the effects of movements in working capital (such as trade and other receivables, trade and other payables, and contract liabilities); and (iii) other cash item (such as income tax paid).

In 2024, we had net cash generated from operating activities of RMB13,710 million, which mainly represents profit before income tax of RMB12,636 million, as adjusted by (i) non-cash and non-operating items, which primarily consist of depreciation of property, plant and equipment of RMB3,391 million and finance costs of RMB1,139 million; (ii) movements in working capital, which primarily consist of a decrease in contract liabilities of RMB622 million and a decrease in trade and other payable of RMB652 million, mitigated by the decrease of prepayment of RMB1,506 million.

In 2023, we had net cash generated from operating activities of RMB13,453 million, which mainly represents profit before income tax of RMB15,766 million, as adjusted by (i) non-cash and non-operating items, which primarily consist of gain on disposal of subsidiaries of RMB4,276 million for the Xinneng Mining Disposal and the disposal of ENN Changsha, depreciation of property, plant and equipment of RMB3,578 million, and finance costs of RMB1,415 million; (ii) movements in working capital, which primarily consist of a decrease in contract liabilities of RMB938 million and an increase in contract assets of RMB250 million.

In 2022, we had net cash generated from operating activities of RMB14,769 million, which mainly represents profit before income tax of RMB14,677 million, as adjusted by (i) non-cash and non-operating items, which primarily consist of depreciation of property, plant and equipment of RMB3,338 million, net gain on derivative financial instruments of RMB1,781 million, and exchange differences of RMB1,598 million; (ii) movements in working capital, which primarily consist of a decrease in inventories of RMB742 million and an increase in contract liabilities of RMB709 million, partially offset by an increase in trade and other receivables of RMB817 million and a decrease in trade and other payables of RMB943 million.

Investing Activities

Our cash outflows used for investing activities primarily consist of purchases of wealth management products, purchases of property, plant and equipment, acquisition of intangible assets, and addition of restricted bank deposits. Our cash inflows generated from investing activities primarily consist of redemptions of wealth management products, proceed from disposal of financial assets at FVTPL and release of restricted bank deposits.

In 2024, our net cash used in investing activities was RMB6,440 million, primarily attributable to payments for purchases of property, plant and equipment of RMB7,574 million; and (ii) payments for acquisition of intangible assets of RMB755 million, partially offset by dividends received from associates of RMB202 million.

In 2023, our net cash generated from investing activities was RMB2,650 million, primarily attributable to (i) net proceeds from disposal of subsidiaries of RMB10,165 million primarily related to the Xinneng Mining Disposal; and partially offset by (i) purchases of property, plant and equipment of RMB8,547 million; and (ii) payments for acquisition of intangible assets of RMB615 million.

In 2022, our net cash used in investing activities was RMB6,619 million, primarily attributable to (i) payments for purchases of property, plant and equipment of RMB7,723 million; and (ii) net payments for acquisition of intangible assets of RMB997 million, partially offset by net proceeds from release of restricted bank deposits (total proceeds from release of restricted bank deposits minus total payments for addition of restricted bank deposits) of RMB180 million.

Financing Activities

Our financing activities primarily include bank loans, repayment of bank loans, dividends paid to shareholders, dividends paid to non-shareholders, advanced from banks and other financial institutions, amounts repaid to banks and other financial institutions, and paid interest.

In 2024, our net cash used in financing activities was RMB10,733 million, primarily due to (i) repayment of bank and other loans of RMB26,671 million, partially offset by bank loans drawn down of RMB24,330 million; (ii) dividends paid to shareholders of RMB2,805 million; (iii) dividends paid to non-controlling shareholders of RMB2,749 million.

In 2023, our net cash used in financing activities was RMB8,291 million, primarily due to (i) dividends paid to non-controlling shareholders of RMB3,033 million; (ii) repayment of notes of RMB2,036 million; (iii) repayment of bank loans of RMB21,711 million, partially offset by new bank loans and others loans raised of RMB21,943 million; (iv) dividends paid to shareholders of RMB1,577 million; and (v) interest paid of RMB1,479 million.

In 2022, our net cash used in financing activities was RMB9,677 million, primarily due to (i) cash flows used in common control transactions of RMB4,337 million; (ii) repayment of notes of RMB6,092 million, partially offset by proceeds from issuance of notes of RMB3,579 million; and (iii) dividends paid to non-controlling shareholders of RMB2,617 million.

CAPITAL EXPENDITURE

We incurred capital expenditures of RMB13,614 million, RMB9,773 million and RMB8,515 million in 2022, 2023 and 2024, respectively, mainly in connection with purchases of items of property, plant and equipment, intangible assets, right-of-use assets, investments in joint ventures and investment in associates and subsidiaries.

The following table sets forth a breakdown of our capital expenditures for the years indicated:

	Year ended December 31,		
	2022	**2023**	**2024**
		(RMB in millions)	
Purchases of property, plant and equipment	7,723	8,547	7,574
Acquisition of intangible assets	997	615	755
Acquisition of right-of-use assets	–	97	45
Investments in joint ventures	517	55	28
Investments in associates	7	400	110
Net cash outflow on acquisition of interests in subsidiaries	4,370	59	3
Total	**13,614**	**9,773**	**8,515**

We expect to fund our future capital expenditures with our operating cash flows, bank loans and other borrowings, and debt issuance.

COMMITMENTS

Capital Commitments

We had the following capital commitments mainly related to acquisition of property, plant and equipment, as well as investments in associates and joint ventures as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	820	696	562
Capital Commitments in respect of			
– investments in associates and joint ventures	683	922	1,020
– other equity investment	277	2	2
Total	**960**	**924**	**1,022**

Other Commitments

During the Track Record Period, we entered into long-term sale and purchase agreements to acquire LNG from international suppliers. We are obliged to make "take-or-pay" payment to suppliers for the quantity contracted but not delivered. We believe that such agreements are entered into and continued to be held in accordance with our expected LNG purchase requirements to meet the demands of our customers. Accordingly, these agreements qualify for own use exemption, and hence are not considered as derivative financial instruments within the scope of financial instruments standards since initial recognition. The LNG pricing under these agreements are linked to certain oil and gas price indexes and are denominated in USD, which are common in international practice. We assessed the economic characteristics and risks of the embedded derivatives and concluded that they are closely related to the economic characteristics and risks of the relevant host contracts. Accordingly, the embedded derivatives are not split from these arrangements and not separately recognized as derivative financial instruments in the consolidated financial statements.

WORKING CAPITAL

We recorded net current liabilities of RMB10,555 million, RMB3,318 million and RMB7,444 million, respectively, as of December 31, 2022, 2023 and 2024. The following table sets forth a breakdown of our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(RMB in millions)			
				(unaudited)
CURRENT ASSETS				
Inventories	2,417	2,167	2,325	1,657
Trade and other receivables	17,288	16,271	14,120	16,075
Contract assets	3,030	2,453	2,109	2,143
Derivative financial instruments	2,897	1,351	272	239
Financial assets at FVTPL	26	200	–	3,896
Amounts due from associates	417	426	439	369
Amounts due from joint ventures	528	555	604	522
Amounts due from related companies	91	153	164	205
Restricted bank deposits	534	478	612	718
Cash and cash equivalents	10,955	18,776	15,364	13,163
Total current assets	**38,183**	**42,830**	**36,009**	**38,987**
CURRENT LIABILITIES				
Trade and other payables	17,303	15,006	14,246	12,778
Contract liabilities	17,402	14,924	14,487	13,464
Deferred income	71	112	79	74
Amounts due to associates	589	870	621	827
Amounts due to joint ventures	295	223	288	478
Amounts due to related companies	389	492	538	576
Taxation payables	2,294	2,245	1,625	1,200
Lease liabilities	108	134	181	143
Derivative financial instruments	1,019	294	940	560
Notes	–	–	–	500
Bank and other loans	9,268	11,848	10,448	14,133
Total current liabilities	**48,738**	**46,148**	**43,453**	**44,733**
NET CURRENT LIABILITIES	**(10,555)**	**(3,318)**	**(7,444)**	**(5,746)**

Our net current liabilities decreased by 22.8% to RMB5,746 million as of April 30, 2025 from RMB7,444 million as of December 31, 2024, primarily due to (i) an increase of RMB3,896 million in financial assets at FVTPL; (ii) an increase of RMB1,955 million in trade and other receivables; (iii) a decrease of RMB1,468 million in trade and other payables; (iv) a decrease of RMB1,023 million in contract liabilities, which were partially offset by (i) an increase of RMB3,685 million in bank and other loans; and (ii) a decrease of RMB2,201 million in cash and cash equivalents.

Our net current liabilities increased significantly to RMB7,444 million as of December 31, 2024 from RMB3,318 million as of December 31, 2023, primarily due to (i) a decrease of RMB3,412 million in cash and cash equivalent, (ii) a decrease of RMB2,151 million in trade and other receivables resulted from a change of payment method of certain natural gas suppliers (from prepayments to deposits and receivables), as well as there being more natural gas inventory for direct gas sales by platform in December 2023, and (iii) a decrease of RMB1,079 million in derivative financial assets, which was partially offset by a decrease of RMB1,400 million in current potion of bank and other loans.

Our net current liabilities decreased by 68.6% to RMB3,318 million as of December 31, 2023 from RMB10,555 million as of December 31, 2022, primarily due to (i) an increase of RMB7,821 million in cash and cash equivalent, (ii) a decrease of RMB2,478 million in current portion of contract liabilities because our contract liabilities have continued to be recognized as revenue as the performance obligation is satisfied, and (iii) a decrease of RMB2,297 million in trade and other payables resulted in reduced operation, which was partially offset by (i) a decrease of RMB1,546 million in derivative financial assets, (ii) a decrease of RMB1,017 million in trade and other receivables resulted from a decrease in settled but unpaid derivative contracts in 2023 compared to 2022, and (iii) an increase of RMB2,580 million in current portion of bank and other loans.

We recorded net current liabilities of RMB10,555 million, RMB3,318 million and RMB7,444 million as of December 31, 2022, 2023 and 2024, respectively, primarily due to a significant amount of contract liabilities we recorded in the ordinary course of business. As of the same dates, our current portion of contract liabilities amounted to RMB17,402 million, RMB14,924 million and RMB14,487 million, which represents primarily deposits that we received from clients for our continuous gas supply and services. Such contract liabilities will be recognized as revenue as the performance obligation is satisfied.

We manage our capital to ensure that entities in our Group will be able to continue as a going concern, to maintain the confidence of creditors, to sustain future development of the entities and to maximize the return to the shareholders of our Company. Our capital structure consists of net debt and total equity of our Group. We manage our capital base through net gearing ratio. Our Directors review the capital structure on a semi-annual basis. We have a target of net gearing ratio below 100% and will maintain the ratio within target by issue of new debts, repayment of debts, issue of new shares, repurchase of shares or payment of dividends. The net gearing ratio at the end of the reporting period was as follows:

	For the year ended and as of December 31,		
	2022	**2023**	**2024**
		(RMB in millions)	
Bank and other loans	21,380	20,594	18,043
Notes	14,378	12,842	12,794
	35,758	33,436	30,837
Less: cash and cash equivalents	(10,955)	(18,776)	(15,364)
Net debt	**24,803**	**14,660**	**15,473**
Total equity	51,562	58,536	60,543
Net debt to total equity ratio (%)	**48.1**	**25.0**	**25.6**

Our Directors are of the view that, taking into account the financial resources available to us, including cash and cash equivalents, our available banking facilities and cash flows from operating activities, we have sufficient working capital for our present requirements, that is at least 12 months from the date of this Document.

Taking into account the above, and based on the written confirmation from the Company in respect of working capital sufficiency, review of the accountants' report, the financial due diligence conducted on the historical financial information of the Group during the Track Record Period and the discussion with our Directors, nothing material has come to the attention of the Sole Sponsor that would reasonably cast doubt on the Company's conclusion that the Company has sufficient working capital for its present requirements, that is at least 12 months from the date of this Document.

ANALYSIS OF SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Inventories

Our inventories comprise primarily construction materials for our engineering construction and installation business, gas appliance for our value-added business, natural gas for our natural gas sales business, integrated energy appliances for our integrated energy business, and inventories such as chemical products for our energy production business. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2022	2023	2024
Construction Materials	1,179	717	611
Gas appliance	228	147	144
Natural Gas	556	937	1,300
Integrated energy equipment	71	72	56
Energy production inventories	326	232	174
Others	57	62	40
	2,417	**2,167**	**2,325**

Our inventories increased by 7.3% to RMB2,325 million as of December 31, 2024 from RMB2,167 million as of December 31, 2023, primarily due to increased unsold natural gas as of December 31, 2024.

Our inventories decreased by 10.3% to RMB2,167 million as of December 31, 2023 from RMB2,417 million as of December 31, 2022, primarily due to (i) the Xinneng Mining Disposal and the disposal of ENN Changsha, which resulted in the exclusion of these two companies from consolidation and reduced inventories; and (ii) the reduction in raw materials and inventories for our coal-based methanol production.

The cost of inventories recognized as an expense for 2022, 2023 and 2024 was approximately RMB123,528 million, RMB116,123 million and RMB110,075 million, respectively.

The following table sets forth the turnover days of our inventories for the years indicated:

	Year ended December 31,		
	2022	2023	2024
Inventories turnover days[(1)]	7.9	6.8	7.0

Note:

(1) Inventories turnover days were calculated based on the average of the beginning and ending balances of inventories of a given year divided by the cost of sales for that corresponding year and multiplied by 365 days for the year.

Our inventory turnover days remained relatively stable at 7.9 days, 6.8 days and 7.0 days in 2022, 2023 and 2024. Our inventory turnover days was higher in 2022, primarily because we had more construction materials for our engineering construction and installation business at the beginning and at the end of 2022 prepared for the projects for the year, and we had more natural gas at the beginning of the 2022 in inventory.

As of April 30, 2025, RMB2,112 million, or 90.8% of our inventories as of December 31, 2024 had been utilized or sold.

Trade and other Receivables

The balance of our trade and other receivables mainly represented receivables from customers for sales of our products. In addition, during the Track Record Period, through ENN Finance, we conducted re-financing activities with account receivables, loan and debt investment, and recorded relevant receivables accordingly. Certain bills held by us for the practice of discounting/endorsing to financial institutions/suppliers before the bills maturity date were classified as "trade and bills receivables measured at FVTOCI" under financial assets at FVTOCI in the consolidated statements of financial position. As of December 31, 2022, 2023 and 2024, all the bills were with a maturity period of less than 12 months. We consider the credit risk is limited because counterparties are financial institutions with good credit standing and are highly likely to make payments when due, and the ECL are considered as insignificant. We also make advances and prepayments primarily for natural gas purchases. The table below sets forth our trade and other receivables as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Trade receivables	6,356	7,180	6,930
Less: allowance for credit loss	(770)	(1,097)	(1,452)
	5,586	6,083	5,478
Trade receivables measured at FVTOCI	917	1,028	676
	6,503	7,111	6,154
Bills receivable	325	466	282
Loan receivables	48	50	29
Other receivables[(1)]	3,318	1,294	1,372
	3,691	1,810	1,683
Less: allowance for credit loss	(56)	(96)	(109)
	3,635	1,714	1,574

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Deductible input value added tax and prepayment of other taxes and charges	1,927	2,230	2,552
Advances to suppliers and prepayments	5,304	5,357	3,956
Total prepayments	7,231	7,587	6,508
Total	**17,369**	**16,412**	**14,236**

Note:

(1) Include primarily settled but unpaid derivative contracts, performance bond or deposit and current accounts.

Our balance of trade receivables increased by 9.3% to RMB7,111 million as of December 31, 2023 from RMB6,503 million as of December 31, 2022, and decreased by 13.5% to RMB6,154 million as of December 31, 2024 from RMB7,111 million as of December 31, 2023, primarily in line with the business development of our engineering construction and installation business, which generally features longer credit terms compared with our natural gas sales business.

Our other receivables include primarily settled but unpaid derivative contracts, performance bond or deposit and current accounts. As of December 31, 2022, our other receivables included an amount of settled but unpaid derivative contracts of RMB1,788 million, which were paid in 2023 and resulted in a decrease in other receivables to RMB1,294 million as of December 31, 2023.

Our prepayments remained relatively stable at RMB7,231 million as of December 31, 2022 and RMB7,587 million as of December 31, 2023, and decreased by 14.2% to RMB6,508 million as of December 31, 2024, primarily because we changed payment method with our certain suppliers from originally full prepayment to partial prepayment in 2024.

The following table sets forth breakdown of the trade and other receivables for reporting purpose as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Current	17,288	16,271	14,120
Non-current	81	141	116
Total	**17,369**	**16,412**	**14,236**

The following table sets forth an aging analysis of the trade receivables (before allowance for credit loss) presented based on invoice dates as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
0 to 3 months	3,457	3,340	2,793
4 to 6 months	650	962	359
7 to 9 months	483	460	467
10 to 12 months	326	214	393
More than one year	1,440	2,204	2,918
Total	**6,356**	**7,180**	**6,930**

A majority of our trade receivables (before allowance for credit loss) had a maturity of less than 12 months. For those trade receivables with a maturity of more than a year, these are mostly for our engineering construction and installation business, which we believe is consistent with industry practice.

The following table sets forth our trade receivables turnover days during the years indicated:

	Year ended December 31,		
	2022	2023	2024
Trade receivables turnover days[(1)]	15.3	17.5	19.1

Note:

(1) Trade receivables turnover days were calculated based on the average of opening and closing balance of gross trade receivables for the relevant year, divided by the revenue for the same year and multiplied by 365 days.

Our trade receivables turnover days increased from 15.3 days in 2022 to 17.5 days in 2023 and further to 19.1 days in 2024, primarily because we recognized more trade receivable in connection with our engineering construction and installation business, which generally have a longer payment term in 2024.

During the Track Record Period, we did not experience any significant losses associated with our trade receivables and the increase in our trade receivables did not have any material adverse impact on our liquidity or cash flows.

As of April 30, 2025, RMB3,507 million, or 50.6% of our trade receivables as of December 31, 2024, had been settled.

Contract Assets

Contract assets represent primarily gas pipeline installation, integrated energy construction contracts and general contracting for natural gas, chemical and petroleum engineering, which are carried out under our engineering construction and installation business. The following table sets forth a breakdown of our contract assets as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Gas pipeline installation	675	695	938
Integrated energy construction contracts	76	100	75
Construction and installation services	2,279	1,658	1,096
Total	**3,030**	**2,453**	**2,109**

Derivative Financial Instruments

We use derivative financial instruments to hedge our risks related to commodities and exchange rates. We have entered into long-term sale and purchase agreements to acquire LNG from certain international suppliers as well as certain domestic suppliers, and are exposed to price risk as the purchase prices of agreements are linked to international crude oil or natural gas price indices. We manage significant portion of such price exposure through entering into various commodity derivative contracts (the "**Commodity Derivatives**") with certain financial institutions. These contracts have been classified as derivative under HKFRS 9 and are required to be measured at FVTPL, in which, certain Commodity Derivatives are designated as hedging instruments and accounted for under hedge accounting.

We are exposed to exchange rate risk mainly arising from various bonds, bank loans and LNG purchases from international suppliers denominated in USD. To manage and mitigate the foreign exchange exposure, we entered into various foreign currency derivative contracts (the "**Foreign Currency Derivatives**") with certain financial institutions. As of December 31, 2022, 2023 and 2024, the Foreign Currency Derivatives have a total notional amount of USD480 million, USD773 million and USD2,110 million, respectively, of which the maturity dates match the maturity dates of certain debts or transaction dates of certain highly probable LNG purchases denominated in USD. Among these Foreign Currency Derivatives, certain derivatives are designated as hedging instruments and accounted for under hedge accounting. The cross currency swaps will enable us to buy USD at the predetermined rate of RMB/USD exchange rate on maturity dates.

The fair value of Commodity Derivatives is determined by factors such as the contract price, forward price, and holding quantity of each contract natural gas index. The fair value of Foreign Exchange Derivatives is determined by factors such as exchange rate, interest rate and volatility. The fair value of derivative financial instruments changes, as a result of the frequent fluctuations in the natural gas price index linked to natural gas and crude oil prices in the commodity price market, and in exchange rates and interest rates in the foreign exchange market.

The following table sets forth a breakdown of our derivative financial instruments as of the dates indicated:

	As of December 31,		
	2022	2023	2024
		(RMB in millions)	
Derivative financial assets			
Derivatives designed as cash flow hedges:			
– Foreign currency derivative contracts	–	38	258
– Commodity derivative contracts	351	1,048	22
Derivatives not designed in hedging accounting:			
– Foreign currency derivative contracts	–	–	102
– Commodity derivative contracts	2,546	453	58
	2,897	**1,539**	**440**
Derivative financial liabilities			
Derivatives designed as cash flow hedges:			
– Foreign currency derivative contracts	48	31	–
– Commodity derivative contracts	170	77	665
Derivatives not designed in hedging accounting:			
– Commodity derivative contracts	849	200	383
	1,067	**308**	**1,048**

In 2022, 2023 and 2024, we recorded net gain of derivative financial instruments of RMB1,781 million, RMB1,241 million and RMB378 million, respectively.

We have implemented and will continue to implement, internal policies and procedures to manage our investment on derivative financial instruments, in a prudent manner. These include entering into derivative financial instruments in amounts and on terms that are appropriate to our business operations. Our internal policies set forth guiding principles and detailed processes for evaluating and monitoring the use of derivative financial instruments. For details, see "Business — Hedging Activities and Risk Management."

Financial Assets at FVTPL

Our financial assets at fair value through profit or loss (FVTPL) consist primarily equity interest in listed and unlisted companies, primarily to generate additional returns on cash reserves and enhance strategic cooperation relationships with our business partners. We acquired unlisted equity interest for mid- to long-term investment return, and potential upside from a future public [**REDACTED**] (if any). As of December 31, 2024, our financial assets at FVTPL amounted to RMB4,434 million. The table below sets forth a breakdown of our financial assets at FVTPL as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in millions)		
Listed equity interest in Shanghai Utilities[1]	134	148	260
Unlisted equity interest in Sinopec Marketing[2]	4,170	4,170	4,170
Unlisted equity securities[3]	23	16	4
Unlisted wealth management products	26	200	–
	4,353	**4,534**	**4,434**

Notes:

(1) Represents 4.38% equity interest in Shanghai Dazhong Public Utilities (Group) Co., Ltd. ("**Shanghai Utilities**", HKSE: 1635) as of December 31, 2022, 2023 and 2024.

(2) Represents 1.13% unlisted equity interest in Sinopec Marketing as of December 31, 2022, 2023 and 2024.

(3) Represents unlisted investments in entities incorporated in the PRC.

Restricted Bank Deposits

As of December 31, 2022, 2023 and 2024, we had restricted bank deposits of RMB1,133 million, RMB1,191 million and RMB1,325 million, respectively, for the purposes of regulatory compliance, contractual arrangement or securing bank borrowings. The table below sets forth a breakdown of our restricted bank deposits by usage as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Bank deposits secured for:			
– Right of operation	37	15	6
– Mandatory reserve in the PBOC	417	436	438
– Energy supplies	151	158	134
– Bills payable	226	271	271
– Others	302	311	476
	1,133	**1,191**	**1,325**

The balance of our restricted bank deposits as of December 31, 2022, 2023 and 2024 is primarily aligned with our business development and maintained proportionality to operational expansion.

The table below sets forth a breakdown of our restricted bank deposits by term as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Current portion	534	478	612
Non-current portion	599	713	713
	1,133	**1,191**	**1,325**

As of December 31, 2022, 2023 and 2024, the restricted bank deposits carry fixed interest rate ranging from 0.05% to 4.13%, 0.05% to 4.13%, and 0.05% to 4.13% per annum, respectively. Except for the amount of mandatory reserves in the PBOC, other restricted bank deposits will be released upon the settlement of bank loans, the expiry of purchase contracts or right of operation. The mandatory reserves in the PBOC classified as non-current assets are deposits placed by ENN Finance and the reserves amount is subject to change with respect to the savings accepted by ENN Finance and the PBOC reserve rate is adjusted from time to time.

Cash and Cash Equivalents

Our cash and cash equivalents amounted to RMB10,955 million, RMB18,776 million and RMB15,364 million as of December 31, 2022, 2023 and 2024, respectively. Our balance of cash and cash equivalents was higher as of December 31, 2023 compared to December 31, 2022 and 2024, as we received payments of RMB10,505 million for the Xinneng Mining Disposal.

Cash and cash equivalents include bank balances with original maturities less than three months carrying interest at market rates ranging from 0% to 4.9%, 0% to 5.7% and 0% to 5.7% per annum as of December 31, 2022, 2023 and 2024, respectively. The bank balances denominated in RMB are deposited with banks in the PRC.

As of December 31, 2022, 2023 and 2024, the cash and cash equivalents denominated in foreign currencies other than the functional currency of respective subsidiaries in our Group is approximately RMB1,678 million, RMB5,364 million and RMB5,900 million, respectively, of which approximately RMB1,604 million, RMB5,064 million and RMB5,661 million, respectively, are denominated in USD, and approximately RMB70 million, RMB283 million and RMB190 million, respectively, are denominated in Hong Kong dollar.

Trade and other Payables

Our trade and other payables primarily consist of payments for raw materials, equipment and construction costs. Our trade payables are non-interest-bearing. Payments for raw materials are normally settled within three months. Payments for equipment and construction costs are subject to the payment schedules specified in the respective contracts.

The following table sets forth the breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Trade payables	10,000	10,015	9,297
Bills payables	857	781	780
Accrued staff cost	1,248	1,199	1,144
Other tax payables	592	360	346
Accrued charges and other payables	6,177	3,608	3,493
Total	**18,874**	**15,963**	**15,060**

Our trade payables decreased by 7.2% to RMB9,297 million as of December 31, 2024 from RMB10,015 million as of December 31, 2023, primarily reflected the reduced costs corresponding to our reduced construction and installation business in 2024. Our trade payables remained relatively stable at RMB10,000 million and RMB10,015 million as of December 31, 2022 and 2023, respectively.

The following table sets forth breakdown of the trade and other payables for reporting purpose as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Current	17,303	15,006	14,246
Non-current	1,571	957	814
Total	**18,874**	**15,963**	**15,060**

The following table sets forth an aging analysis of the trade payables presented based on billing dates as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
0 to 3 months	5,955	5,888	5,135
4 to 6 months	1,105	1,148	882
7 to 9 months	622	540	487
10 to 12 months	594	454	529
More than one year	1,724	1,985	2,264
Total	**10,000**	**10,015**	**9,297**

The following table sets forth our trade payables turnover days during the years indicated:

	Year ended December 31,		
	2022	2023	2024
Trade payables turnover days[1]	30.1	29.8	30.2

Note:

(1) Trade payables turnover days were calculated based on the average of opening and closing balance of trade payables for the relevant year, divided by the total cost of sales for the same year and multiplied by 365 days.

Our trade payables turnover days remained relatively stable at 30.1 days, 29.8 days and 30.2 days in 2022, 2023 and 2024.

Our Directors confirm that we did not have any material defaults in payment of trade and other payables during the Track Record Period and up to the Latest Practicable Date.

As of April 30, 2025, approximately RMB5,113 million, or 55.0% of trade payables as of December 31, 2024, were settled.

Contract Liabilities

Our contract liabilities include deposit for gas charges and other sales, deferred income, and deposits for construction and installation contracts.

Deposit for gas charges and other sales: For our retail of gas business, we require the customers to deposit gas charges into smart IC which connected to the gas meters or into "IoT meters". When the customers consume the natural gas, corresponding value of deposits will be recognized as revenue in line with the volume of gas consumed at pre-determined unit price. The deposit would be typically consumed within one year.

Deposits for construction and installation contracts: For construction and installation contracts under our engineering construction and installation business, we normally receive a deposit before construction work commences. We continue to recognize revenue over time and apply output method in estimating the performance obligations satisfied throughout the construction and the installation period.

Deferred income: For our construction and installation business, deferred income represents connection fees and subsidies received from certain customers for the construction of main gas pipelines and related to maintaining the ongoing deliverability to supply gas at the discretion of the customers. The period to supply gas would be consistent with the operating period as stated in the right of operation.

The table below sets forth our contract liabilities as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in millions)		
Deposits for gas charges and other sales	13,384	12,533	12,790
Deposits for construction and installation contracts	3,709	2,151	1,437
Deferred income	3,156	2,960	2,910
Total	**20,249**	**17,644**	**17,137**

Our contract liabilities remained relatively stable at RMB17,644 million as of December 31, 2023 and RMB17,137 million as of December 31, 2024.

Our contract liabilities decreased by 12.9% to RMB17,644 million as of December 31, 2023 from RMB20,249 million as of December 31, 2022, primarily due to reduced projects and deposits for our construction and installation contracts in 2023.

The amount of revenue recognized in 2022, 2023 and 2024 relating to carried-forward contract liabilities were RMB14,797 million, RMB15,785 million and RMB13,422 million, respectively.

Based on our earliest obligation to transfer goods or services to the customers, our contract liabilities can be classified as current and non-current. The table below sets forth the breakdown of our contract liabilities as of the dates indicated:

	As of December 31,		
	2022	2023	2024
		(RMB in millions)	
Current	17,402	14,924	14,487
Non-current	2,847	2,720	2,650
Total	**20,249**	**17,644**	**17,137**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of leasehold land and buildings, pipelines, machinery and equipment, motor vehicles, office equipment and properties under construction. Other than properties under construction, all other items under our property, plant and equipment are depreciated on a straight-line basis as follows:

Buildings	30-40 years
Pipelines	20-30 years
Machinery and equipment	6-30 years
Motor vehicles	6-8 years
Office equipment	6-8 years

The following table sets forth the breakdown of the carrying value of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Buildings	12,396	11,059	11,143
Pipelines	43,068	40,927	43,383
Machinery and equipment	10,368	8,531	9,509
Motor vehicles	279	175	172
Office equipment	791	942	986
Properties under construction	4,786	4,984	5,575
Total	**71,688**	**66,618**	**70,768**

Our property, plant and equipment increased by 6.2% to RMB70,768 million as of December 31, 2024 from RMB66,618 million as of December 31, 2023, primarily due to an increase in the pipelines that we invested and built in 2024 for the expanded natural gas business needs.

Our property, plant and equipment decreased by 7.1% to RMB66,618 million as of December 31, 2023 from RMB71,688 million as of December 31, 2022, primarily due to (i) disposal of property, plant and equipment as a result of the Xinneng Mining Disposal and the disposal of ENN Changsha; (ii) the decrease in carrying value of our coal-based methanol production facilities and natural gasoline units after substantial impairment losses provision.

As of December 31, 2022, 2023 and 2024, except for certain land and buildings with carrying value of approximately RMB34 million, RMB33 million and RMB31 million, respectively, which are located in Hong Kong, the remaining land and buildings are located in the PRC.

See Note 16 to the Accountants' Report in Appendix I to this Document for more details.

Right-of-Use Assets

We lease various offices, warehouses, equipment and vehicles for our operations. Our right of use assets primarily consist of land use rights, leasehold land and buildings, motor vehicles, equipment and others. The following table sets forth the breakdown of our right of use assets as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Land use rights	2,825	2,823	2,707
Leasehold land and buildings	264	368	332
Motor vehicles	–	–	2
Equipment	3	4	148
Others	7	8	9
Total	**3,099**	**3,203**	**3,198**

Our right-of-use assets remained relatively stable at RMB3,099 million, RMB3,203 million and RMB3,198 million as of December 31, 2022, 2023 and 2024, respectively.

See Note 17 to the Accountants' Report in Appendix I to this Document for more details.

Intangible Assets

Our intangible assets consist of patent, mining rights, software and technology, right of operations (refers to our concession rights for the operation of retail of gas business), development cost (mainly represents expenditure incurred during the development phase of technologies used for our integrated energy business and our digital intelligence infrastructure), and others. Amortization is made to items of our intangible assets as follows:

- Patent: amortized on a straight-line method over the beneficial period ranging from 6 to 10 years;

- Mining rights: amortized on units-of-production method based on the production capacity used in the given year;

- Right of operation: amortized on a straight-line method over the operation periods ranging from 10 to 30 years, respectively;

- Software and technology: amortized on a straight-line method over the periods ranging from 5 to 6 years;

The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Patents	139	116	107
Mining rights	2,923	–	–
Software and technologies	944	847	1,138
Right of operations	4,274	3,852	3,764
Development cost	185	499	367
Others	108	129	145
Total	**8,573**	**5,443**	**5,521**

Our intangible assets increased remained relatively increased by 1.4% to RMB5,521 million as of December 31, 2024 and RMB5,443 million in 2023, primarily due to an increase in software and technologies for the continuous development of our Great Gas Net, which was partially offset by a decrease in right of operations as it continued to be amortized.

Our intangible assets decreased by 36.5% to RMB5,443 million as of December 31, 2023 from RMB8,573 million as of December 31, 2022, primarily due to a decrease in mining rights as we disposed Xinneng Mining with coal mining right and capacity in 2023, and a decrease in right of operations as it continued to be amortized.

Impairment assessment

We concluded there was indication of impairment when the financial performance of the relevant subsidiaries is not as expected and the management conducted impairment assessment on intangible assets. Based on the result of the assessment, our management determined that the relevant assets were impaired to their recoverable amount as of December 31, 2022, 2023 and 2024, which is their carrying values at year end. Impairment of intangible assets of approximately RMB33 million, RMB16 million and RMB43 million was recognized in relation to certain entities under our retail of gas business, as they have suffered losses due to the market volatility of the natural gas in 2022, 2023 and 2024.

See Note 20 to the Accountants' Report in Appendix I to this Document for more details.

INDEBTEDNESS

The following table sets forth the breakdown of our bank loans and other borrowings amount due to associates and joint ventures, notes and lease liabilities, as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(RMB in millions)			
				(unaudited)
Current				
Bank and other loans	9,268	11,848	10,448	14,133
Amount due to associates	270	421	248	213
Amount due to joint ventures	97	27	7	7
Notes	–	–	–	500
Lease liabilities	108	134	181	143
	9,743	**12,430**	**10,884**	**14,996**
Non-current				
Bank and other loans	12,112	8,746	7,595	7,094
Notes	14,378	12,842	12,794	12,491
Lease liabilities	310	362	401	401
	26,800	**21,950**	**20,790**	**19,986**
Total	**36,543**	**34,380**	**31,674**	**34,982**

Interest-bearing Bank and other Borrowings

During the Track Record Period, we used bank loans and other borrowings to finance our working capital requirements and capital expenditure. The following table sets forth the maturity profile of our bank and other borrowings as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
On demand or within one year	9,268	11,848	10,448
More than one year, but not more than two years	3,491	2,492	3,836
More than two years, but not more than five years	5,059	4,696	2,279
More than five years	3,562	1,558	1,480
Total	**21,380**	**20,594**	**18,043**

As of December 31, 2022, 2023 and 2024, all the bank and other loans were denominated in the functional currency of respective Group entities except for approximately RMB2,212 million, nil and nil, respectively, which were denominated in USD. As of April 30, 2025, we had bank facilities of approximately RMB73.4 billion, of which RMB48.2 billion remained unutilized.

Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

See Note 39 to the Accountants' Report in Appendix I to this Document for more details on the maturity dates, effective interest rate per annum and the carrying amounts of our bank and other loans as of the dates indicated.

Lease Liabilities

Our lease liabilities were mainly arose from leasing of land and buildings and equipment. As of April 30, 2025, our lease liabilities were RMB544 million.

The following table sets forth the maturity profile of our lease liabilities as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in millions)		
Within one year	108	134	181
More than one year, but not more than two years	88	101	134
More than two years, but not more than five years	137	132	161
More than five years	85	129	106
Total	**418**	**496**	**582**

Notes

We issue notes from time to time to finance our working capital requirements and capital expenditure. As of December 31, 2022, 2023 and 2024 and April 30, 2025, the notes recognized in our consolidated statement of financial position amounted to RMB14,378 million, RMB12,842 million, RMB12,794 million and RMB12,991 million, respectively.

2030 Senior Notes

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

The effective interest rate is approximately 2.81% per annum after the adjustment for transaction costs.

In 2023, we repurchased the principal amount of USD200 million (equivalent to RMB1,436 million) in the public market and completed the cancellation of the repurchased bonds. In 2024, we repurchased the principal amount of USD91 million (equivalent to RMB649 million) in the public market.

2027 Senior Notes

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

The effective interest rate is approximately 4.77% per annum after the adjustment for transaction costs.

2026 VEYONG Bonds

On May 12, 2021, ENN Clean Energy International Investment Limited, a subsidiary of our Company, issued USD800 million Notes with a coupon rate of 3.375% (the "**2026 VEYONG Bonds**"). the interest payment dates are May 12 and November 12 of each year starting from November 12, 2021. The interest calculation dates are April 27 and October 28 of each year. The 2026 VEYONG Bonds is due in 2026 and is unconditionally guaranteed by our Company.

In 2022, 2023 and 2024, our Group repurchased the principal amount of USD30 million (equivalent to RMB211 million), USD127 million (equivalent to RMB902 million), USD86 million (equivalent to RMB612 million), respectively, in the public market.

2023 ENN NG GN001

According to the "Notice of Acceptance of Registration" (Zhongshi Xiezhu [2022] No. GN28) issued by the National Association of Financial Market Institution Investor, the registration limit for our Company's green medium-term notes is RMB3 billion, and the registration limit is valid for two years from the date of the signing of notice. Our Company issued a three-year green medium-term note ("**2023 ENN NG GN001**") on April 25, 2023 with a face value of RMB500 million, which will be repaid with interest payment in installments and principal repayments upon maturity. The coupon rate of this medium-term note is 3.30%, and the issuance price is RMB100 for one RMB100 note.

2024 ENN NG GN001

According to the "Notice of Acceptance of Registration" (Zhongshi Xiezhu [2022] No. GN28) issued by the National Association of Financial Market Institution Investor, the registration limit for the company's green medium-term notes is RMB3 billion, and the registration limit is valid for two years from the date of the signing of notice. On March 20, 2024, our Company issued a three-year green medium-term note ("**2024 ENN NG GN001**") with a face value of RMB1 billion, which will be repaid with interest payments in installments and principal repayments upon maturity. The coupon rate of this medium-term note is 2.65%, and the issuance price is RMB100 for one RMB100 note.

See Note 41 to the Accountants' Report in Appendix I to this Document for more details

Amount due to Associates

As of December 31, 2022, 2023 and 2024, and April 30, 2025, the amount due to associates were RMB270 million, RMB421 million, RMB248 million and RMB213 million, respectively. The amounts due to associates are unsecured and interest-bearing at 1.6% to 3.9% per annum.

Amount due to Joint Ventures

As of December 31, 2022, 2023 and 2024, and April 30, 2025, the amount due to joint ventures were RMB97 million, RMB27 million, RMB7 million and RMB7 million, respectively. The amounts due to joint ventures are unsecured and interest-bearing at 3.6% to 4.5% per annum.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as of April 30, 2025, we did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments or guarantees or other material contingent liabilities, nor any authorized or otherwise created but unissued debt securities.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023 and 2024, we did not have any material contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any material off-balance sheet commitments and arrangements.

RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period, we entered into certain related party transactions from time to time. See Note 53 to the Accountants' Report in Appendix I to this Document for more details. Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distinct our results of operations or make our historical results not reflective of our future performance.

DIVIDENDS

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, as appropriate.

In 2022, 2023 and 2024, dividends paid to owners of the Company amounted to RMB873 million, RMB1,577 million and RMB2,805 million, respectively.

After the [**REDACTED**] of the Privatization and with the improvement in the efficiency of capital use and operating capacity, our Company plans to maintain a continuous and stable dividend pay-out policy. In addition, subject to satisfaction of specified conditions for dividend distribution, our Company plans to make cash dividend for the next four years (2025-2028) as set out in the shareholder return plan (2025-2028). For details, see "Benefits of the [**REDACTED**] and the Privatization."

DISTRIBUTABLE RESERVES

As of December 31, 2024, we had distributable reserves of approximately RMB4,435 million.

[**REDACTED**]

[**REDACTED**] represent primarily professional fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**], which are non-recurring in nature, will be approximately [**REDACTED**]. We expect to charge approximately [**REDACTED**] of the estimated [**REDACTED**] to profit or loss and to capitalize approximately [**REDACTED**] following the [**REDACTED**] of the [**REDACTED**]. We do not believe the estimated [**REDACTED**] are material or unusually high for our Group. The [**REDACTED**] above are the current estimate for reference only and the actual amount to be recognized is subject to adjustment based on audit and the then changes in variables and assumptions.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or for the years indicated:

	As of or for the year ended December 31,		
	2022	**2023**	**2024**
Current ratio(1)	0.78	0.93	0.83
Quick ratio(2)	0.73	0.88	0.78
Net debt(3) *(RMB in millions)*	24,803	14,660	15,473
Net debt to total equity ratio(4)	48.1%	25.0%	25.6%
Net cash generated from operating activities *(RMB in millions)*	14,769	13,453	13,710
Return on assets(5)	8.2%	9.3%	7.5%
Return on equity(6)	22.2%	22.8%	16.7%
Profit for the year attributable to owners of the Company *(RMB in millions)*	5,843	7,091	4,493
Core profit for the year attributable to owners of the Company(7) *(RMB in millions)*	6,067	6,378	5,143
Gross margin	13.6%	13.1%	13.6%
Net margin(8)	7.4%	8.9%	7.4%
Dividend payout ratio(9)	28.7%	39.7%	70.4%
Core profit dividend payout ratio(10)	26.0%	31.9%	48.4%

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities as of the dates indicated.

(2) Quick ratio is calculated by dividing the difference of current assets and inventories by total current liabilities as of the dates indicated.

(3) Net debt is calculated by the sum of bank and other loans (current and non-current) and notes minus cash and cash equivalents.

(4) Net debt to total equity ratio is calculated by dividing net debt by total equity as of the dates indicated.

(5) Return on assets ratio is calculated using net profit for the year divided by the average of opening and closing balance of total assets for the relevant year, multiplied by 100%.

(6) Return on equity ratio is calculated using net profit for the year divided by the average of opening and closing balance of total equity for the relevant year, multiplied by 100%.

(7) Core profit for the year attributable to owners of the Company from continuing and discontinued operations is calculated by subtracting changes in foreign exchange gains and losses, changes in fair value of derivative financial instruments, financial assets at FVTPL and investment properties, other impairment losses, share-based payment expenses, net gain or loss on disposal of non-current assets from net profit attributable to the owners of the Company. For a reconciliation of profit for the year attributable to the owners of the Company to core profit for the year attributable to the owners of the Company as we define, see "— Non-HKFRS Measure."

(8) Net margin was calculated by dividing net profit for the year by revenue for the same year, multiplied by 100%.

(9) For the year ended December 31, 2022 and 2023, dividend payout ratio is calculated by dividing the sum of dividends paid to owners of the Company for the year and cash used in repurchase of shares for the year (if applicable) by profit for the year attributable to owner of the Company for the year, multiplied by 100%. For the year ended December 31, 2024, dividend payout ratio is calculated by dividing the sum of dividends paid to owners of the Company for the year and cash used in repurchase of shares which have been cancelled for the year (if applicable) by profit for the year attributable to owner of the Company for the year, multiplied by 100%. The change of calculation methods between the years of 2022 and 2023 and the year of 2024 was to comply with the Opinions on Strengthening the Supervision of Listed Company (Interim) (《關於加強上市公司監管的意見(試行)》) issued by the CSRC on March 15, 2024.

(10) Core profit dividend payout ratio is calculated by dividing dividends paid to owners of the Company for the year (excluding special dividend) by core profit for the year attributable to owner of the Company for the year, multiplied by 100%.

[REDACTED] ADJUSTED COMBINED NET TANGIBLE ASSETS

See Appendix II to this Document for details.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS

We are exposed to a variety of financial risks, which include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Our treasury department identifies, evaluates and monitors financial risks in close co-operation with our operating units, focusing on the unpredictability of financial markets. We seek to minimize the effects of financial risks by using different derivative financial instruments to manage these exposures. All derivative financial instruments are used for the financial risk management and not for speculative purposes.

The Board provides written principal for overall risk management. We have written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivatives financial instruments and cash management. Exposure to foreign exchange rates, interest rates and prices risk movements are regularly reviewed and positions are amended in compliance with internal guidelines and limits.

Our treasury department reports regularly or on demand basis to the Financial Risk Management Working Group, an independent body that monitor risks and policies implemented to mitigate risk exposures.

Market Risk

Foreign Currency Risk

Most entities of our Group use RMB as the functional currency, and most of our transactions are denominated in RMB. However, certain loans and notes issued by us, certain bank balances kept by us, and certain LNG purchases from international suppliers are denominated in foreign currencies.

To mitigate the foreign exchange exposure, we entered into various foreign currency derivatives with certain financial institutions. Our management monitors foreign exchange exposure and designates certain derivatives as hedging instruments for cash flow hedges. The foreign exchange derivative contracts must be in the same currency as the hedged item. On this basis, as of December 31, 2022, 2023 and 2024, we have entered into such cross currency swap contracts and foreign exchange call spread contracts in relation to the foreign currency denominated monetary assets and monetary liabilities amounting to USD473 million, USD568 million and USD804 million, respectively, equivalent to RMB3,294 million, RMB4,025 million and RMB5,779 million, respectively.

For more details on the sensitivity analysis related to potential reasonable fluctuation between RMB and certain foreign currency, and the relevant hedging instruments, see Note 51 to the Accountants' Report in Appendix I to this Document.

Interest Rate Risk

We do not have any specific interest rate hedging policy except that we would regularly review the market interest rates to capture the potential opportunities to reduce the cost of borrowings. We may enter into interest rate swap arrangement to mitigate the interest rate risk if appropriate.

See Note 51 to the Accountants' Report in Appendix I to this Document for more details on fair value interest rate risk and cash flow interest rate risk.

Commodity Price Risk and Other Price Risk

In the normal course of business, we import LNG to satisfy customer demands under "take-or-pay" purchase agreements. Accordingly, we are exposed to fluctuations in prevalent crude oil/gas market prices, which are used for the determination of the price of LNG. This exposure is significantly managed with our use of derivative financial instruments. The profit or loss generated from these derivatives is dependent on the combination of contracts which generate payoffs in any particular range of commodity prices. Derivative financial instruments are used solely for financial risk management purposes and we do not hold or issue derivative financial instruments for speculation purposes. Our management monitors commodity price risk exposure regularly and designates certain derivatives as cash flow hedge of highly probable purchases or sales.

We are also exposed to price risk through equity instruments measured at FVTPL and FVTOCI. Our Directors do not implement specific measurements to mitigate the price risk.

See Note 51 to the Accountants' Report in Appendix I to this Document for more details.

Credit Risk

Our maximum exposure to credit risk for financial losses arises from the financial guarantee contracts provided by us. Our Company does not hold any collateral or other credit enhancements to cover our credit risks associated with our financial assets, except that the credit risk associated with loan receivables is secured over equipment, receivables and certain entities' equities and settlement of certain receivables are backed by bills issued by reputable financial institutions.

See Note 51 to the Accountants' Report in Appendix I to this Document for more details on various credit risks and the corresponding impairment assessment.

Liquidity Risk

To manage the liquidity risk, we take into account the continuity and availability of financial resources to us, including the cash flows generated from our principal operations, availability of banking facilities directly or indiretly, the level of cash and cash equivalents and capital operating plans as to meet our expected future working capital requirements and mitigate the fluctuation in cash flows level. We also rely on notes, bank loans and other borrowings as a significant source of liquidity. We review the utilization of borrowings and ensures the compliance of loan covenants regularly.

For the maturity profile of our financial liabilities based on the agreed repayment terms as of December 31, 2022, 2023 and 2024, see Note 51 to the Accountants' Report in Appendix I to this Document.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this Document there had been no material adverse change in our financial, operational or prospects since December 31, 2024, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report set out in Appendix I to this Document.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this Document, our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

FINANCIAL EFFECTS OF THE PRIVATIZATION

As of the Latest Practicable Date, our Company holds 34.28% interest in ENN Energy, while the remaining 65.72% of outstanding ENN Energy Shares are held by ENN Energy Shareholders other than us. As a result, only approximately 34.28% of the profits generated from ENN Energy, is attributable to equity holders of our Company, while the remaining 65.72% of the profits of ENN Energy is attributable to ENN Energy Shareholders other than us. Upon the Scheme becoming effective, Scheme Shareholders will become our Shareholders and ENN Energy will become our Company's wholly-owned subsidiary. Subsequently, 100% of profits from ENN Energy will be attributable to the equity holders of our Company. See "Appendix II — [**REDACTED**] Financial Information" of this Document which has been prepared for the purpose of illustrating the financial effects of the Privatization.

For details on our business development strategies, please refer to the section headed "Business — Future Strategy" in this Document. Furthermore, following the Privatization of ENN Energy and the [**REDACTED**] of the [**REDACTED**], we plan to further implement the following measures in business integration, capital management, and corporate governance. These initiatives aim to fully unleash synergies, solidify our strategic positioning as an integrated operator across the natural gas value chain, and reinforce our commitment to becoming a global leader in the energy transition.

BUSINESS INTEGRATION PLAN

Following the [**REDACTED**] of the Privatization and the [**REDACTED**], we will further strengthen the integrity and abundance of the integrated layout of natural gas industry chain of ENN-NG. We will strengthen the integration of advantages in the following aspects to fully unleash the overall synergistic effect of our business.

Integrate customers within and outside the operating areas, leverage advantages of channels, and continue to expand the scale of gas sales

We aim to tap into a broader service market, expand more mid-term to long-term customers, coordinate the expansion of markets within and outside the operating areas and both domestic and international markets, flexibly and dynamically combine international and domestic resources to more comprehensively meet the increasingly diversified and differentiated demands from customers.

We will further consolidate our efforts in market development, give full play to the advantages of channels, utilize a more diverse natural gas source matrix to precisely meet the differentiated needs of customers, continuously improve the operation efficiency of existing customers, actively expand the customer base, and increase customer stickiness to achieve collaborative development, fully realize synergy effects, and continuously expand the scale of our natural gas business.

Specifically, our Company can reduce the comprehensive cost of resources, enrich the gas supply cycle, pricing mechanism and delivery modes through the combination of long-term plus spot international resources and domestic gas sources so as to meet the needs of customers for lower gas costs, more stable gas supply contracts (such as conversion from a single annual contract to a 3 to 5 year contract), more diversified pricing models (such as linked to commodities), and more flexible gas utilization scenarios (such as off-site delivery).

At the same time, the integration and expansion of the downstream customer base can powerfully drive the expansion of the integrated energy and value-added businesses. The large industrial customers of the integrated energy business can help further explore potential business opportunities in the natural gas platform trading. Through effective business integration, we will be able to give full play to the synergies of various business segments, effectively provide customers with comprehensive and multi-level services, fully unleash the potential of customer value, and boost our high-quality development.

Solidify the advantages of integrated resource pool to better meet the diversified customer needs, and achieve the mutual promotion and progress of resource pool development and customer needs

We will further enhance our gas sourcing and allocation capabilities, reinforce the strengths of our integrated resource pool, promote the development of our resource pool to gain a more advantageous bargaining position, and further enrich and optimize resource reserves. Leveraging our diversified gas supply structure, we can mitigate market price volatility and ensure stable gas supply for downstream customers. By increasing the diversity and flexibility of our resource offerings, we reduce uncertainty in peak-shaving and supply security, empowering customers with effective support for their changing needs.

At the same time, robust downstream demand will also promote the development of our resource pool, enhance the bargaining power of resources, enrich high-quality resource reserves and enhance economies of scale. We will further integrate domestic pipeline gas, unconventional gas, and overseas LNG resources, enabling national market access through resource swap mechanisms. By strengthening coordination between international and domestic resource markets, we aim to improve the delivery capacity of premium resources from global to national, and from national to regional levels. This will allow us to achieve efficient resource allocation and deep business integration, fostering an integrated growth model in which upstream, midstream, and downstream sectors mutually reinforce each other through collaborative development.

Deepen the coordinating role of the infrastructure and reduce transmission and storage costs to achieve efficient resource allocation

Leveraging the Zhoushan LNG Receiving Terminal, we will harness the coordinating role of the midstream storage and transmission in the industry chain for efficient empowerment. By fully utilizing our geographical advantages to strengthen coordination between international and domestic resource markets, reduce transmission and storage costs, strengthening peak-shaving and supply security capabilities, and sharing market information, we will collaboratively advance the "digital intelligent" transformation and enable intelligent matching of demand, supply, transmission, and storage, ultimately forming a "dual circulation" business model. We will deepen collaboration in infrastructure development, optimize resource allocation, and reinforce the building of our delivery system, all of which will boost the efficient and low-cost delivery of resources to end customers.

Integrate and iterate the risk control system to ensure stable business development

We will continuously iterate our professional hedging capabilities and intelligent risk control system and further strengthen our risk hedging capabilities based on the advantages of the full-scenario of natural gas. When resource prices are high, we will prioritize international market demand, strengthen sales of long-term contract resources in global markets, and strategically balance domestic demand. When resource prices are low, we will proactively develop markets to support international resource imports while cultivating mid-term to long-term clients through innovative approaches. We will enhance our hedging capabilities and risk control capabilities by leveraging both domestic and international markets. This comprehensive strategy aims to mitigate the impact of market price fluctuations, diversify income sources through risk hedging, improve overall risk resistance capability, and maintain balanced and stable operations.

Aggregate a broader industrial ecosystem to maximize business value

We will accelerate the development and operation of the natural gas specialty knowledge platform, integrating resources across the natural gas ecosystem. By leveraging intelligent technologies, the platform will dynamically and optimally match supply with demand, helping customers and ecosystem partners expand their businesses in a cost-effective manner. At the same time, leveraging comprehensive scenario-based natural gas capabilities and IoT data, and supported by intelligent technologies, we will build a large-scale industry model to maximize business value, enhance market competitiveness, and solidify our leading position in the industry.

CAPITAL MANAGEMENT PLAN

Optimize management of funds and foreign exchanges

Upon [**REDACTED**] of the Privatization and the [**REDACTED**], we will be able to achieve optimized management of funds and foreign exchanges. By integrating the financial resources of both ENN-NG and ENN Energy, we will establish a more comprehensive and multi-dimensional capital pool, which will fully unleash liquidity of the funds, reduce the need for additional working capital reserves, and provide more flexible and sufficient capital support for day-to-day operations and business expansion.

Upon [**REDACTED**] of the Privatization and the [**REDACTED**], we will also centralize the management and allocation of funds of both ENN-NG and ENN Energy. With more reasonable and coordinated financial planning, we aim to improve capital utilization efficiency, reduce financial risk, and further strengthen our financial stability and security, which will better meet the capital requirements of our various business segments and promote the collaborative development of the overall business. Through optimized capital management, we also expect to reduce interest expenses associated with offshore borrowings by ENN-NG for dividend distributions, thereby effectively controlling financial expenses.

Increase core profit dividend payout ratio to reward shareholders

The board of ENN-NG has considered and approved the conditional proposal for the Shareholder Dividend Return Plan (2025-2028), aimed at ensuring ENN-NG's sustainable growth while delivering stable returns to shareholders. Following the [**REDACTED**] of the Privatization and the [**REDACTED**], the Company's annual cash core profit dividend payout ratio from 2026 to 2028 is not less than 50% of the core profits attributable to shareholders of ENN-NG for the relevant year.

Following [**REDACTED**] of the Privatization and the [**REDACTED**], we will be well-positioned to leverage the respective strengths of both domestic and international capital markets. Depending on our actual needs, we will flexibly employ market-based tools, such as share buybacks and shareholding increase, to stress the confidence, enhance corporate value, and further strengthen shareholder support and returns. This will enable long-term value sharing and growth alongside our shareholders.

Establish an [REDACTED] platform, and strengthen international competitiveness and influence

Upon [**REDACTED**] of the Privatization and the [**REDACTED**], we will become an [**REDACTED**] platform and establish a unified capital market image, which will be conducive for us to broadening financing channels, reducing financing costs, and strengthening capital capacity and risk resistance capability. Leveraging the vast platforms in both domestic and international capital markets, we will enhance the market influence and capital operation capabilities, allowing us to flexibly select the most suitable financing instruments and timing based on different market conditions and financing requirements, safeguarding our business development.

Furthermore, the [**REDACTED**] platform will help us attract more international investors, diversify our investor base, enhance global influence, and promote synergistic development between domestic and international operations through a "dual circulation" model, thus achieving strategic synergy. It will also advance our global development strategy and enhance its international competitiveness.

CORPORATE GOVERNANCE PLAN

Streamline decision-making processes for flexible and coordinated responses

Following ENN Energy's delisting and becoming our wholly-owned subsidiary, transactions between ENN-NG and ENN Energy will no longer be subject to the connected transactions requirements under the Listing Rules. This will facilitate smoother and more efficient collaboration, and fully utilize each other's strengths, enhancing overall business synergy. With a more agile and responsive structure, we will be better positioned to address upstream and downstream coordination needs quickly and effectively, maximizing value creation and driving greater economic returns for us.

Enhance governance efficiency and strengthen talent management

Following the Privatization and the [**REDACTED**], we will continue to maintain the stability of the core management team and business teams, strengthen our human resource management, and further refine long-term employee incentive mechanisms to stimulate employee motivation and cohesion, thereby aligning their interests with the long-term interests of the Company.

This alignment will enable us to respond more swiftly to market changes, seize emerging opportunities, and strengthen our adaptability in a rapidly evolving market, ultimately enhancing our overall market competitiveness.

Continue the practice of ESG concepts to support intelligent, innovative and sustainable development

We remain fully committed to our sustainability vision "With Wisdom, we Innovate Sustainable Energy" as the guiding principle. We will strengthen our core ESG strategies across governance, disclosure, and management, incorporating ESG indicators into daily performance evaluations. By embedding ESG concepts into our management systems and aligning with green development goals, we will actively fulfill our social responsibilities and infuse our sustainability expedition with new momentum. This will generate positive and sustainable impact for our shareholders, customers, and society, driving forward the coordinated development of the economy, environment, and society.

The following is the text of a report, prepared for the purpose of incorporation in this Document, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ENN NATURAL GAS CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of ENN Natural Gas Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-3] to [I-124], which comprises the consolidated statements of financial position as at 31 December 2022, 2023 and 2024, the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [I-3] to [I-124] forms an integral part of this report, which has been prepared for inclusion in the [**REDACTED**] document of the Company dated [●] (the "[**REDACTED**] **Document**") in connection with the [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 3 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 3 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2022, 2023 and 2024 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 3 to the Historical Financial Information.

Report on matters under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-3] have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends paid by the Company, in respect of the Track Record Period.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

[●]
Practising Certificate Number: [●]

Hong Kong, [Date]

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information were audited by HLB Hodgson Impey Cheng Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest million ('M) (RMB'M) except when otherwise indicated.

Consolidated statements of profit or loss and other comprehensive income

		Year ended December 31,		
	Notes	**2022**	**2023**	**2024**
		RMB'M	*RMB'M*	*RMB'M*
Continuing operations				
Revenue	*5*	150,020	141,115	134,946
Cost of sales		(129,658)	(122,691)	(116,588)
Gross profit		20,362	18,424	18,358
Other income	*7*	868	1,088	1,304
Other gains and losses	*8*	20	(539)	72
Distribution and selling expenses		(1,477)	(1,424)	(1,512)
Administrative expenses		(4,286)	(4,428)	(4,200)
Research and development expenses		(1,218)	(955)	(824)
Share of results of associates		151	180	328
Share of results of joint ventures		(18)	54	249
Finance costs	*9*	(1,296)	(1,340)	(1,139)
Profit before tax from continuing operations	*10*	13,106	11,060	12,636
Income tax expense	*12*	(3,367)	(2,787)	(2,692)
Profit for the year from continuing operations		9,739	8,273	9,944
Discontinued operation				
Profit for the year from discontinued operation	*13*	1,334	4,257	–
Profit for the year		11,073	12,530	9,944
Other comprehensive (expenses)/income				
Items that will not be reclassified to profit or loss:				
Fair value change of equity instruments at fair value through other comprehensive income ("**FVTOCI**")		(18)	(17)	3
Fair value change of properties transferred from property, plant and equipment to investment properties		12	–	1
Income tax relating to items that will not be reclassified to profit or loss		4	3	(1)
		(2)	(14)	3
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translating foreign operations		284	181	127
Fair value (loss)/gain of derivative financial instruments under hedge accounting		(460)	777	(1,459)
Income tax relating to items that may be reclassified subsequently to profit and loss		43	(73)	168
		(133)	885	(1,164)

	Notes	Year ended December 31, 2022	2023	2024
		RMB'M	RMB'M	RMB'M
Other comprehensive (expenses)/income for the year		(135)	871	(1,161)
Total comprehensive income for the year		10,938	13,401	8,783
Profit for the year attributable to owners of the Company				
– From continuing operations		4,509	2,834	4,493
– From discontinued operation		1,334	4,257	–
		5,843	7,091	4,493
Profit for the year attributable to non-controlling interests				
– From continuing operations		5,230	5,439	5,451
		11,073	12,530	9,944
Total comprehensive income for the year attributable to owners of the Company				
– From continuing operations		4,683	3,713	3,244
– From discontinued operation		1,334	4,257	–
		6,017	7,970	3,244
Total comprehensive income for the year attributable to non-controlling interests				
– From continuing operations		4,921	5,431	5,539
		10,938	13,401	8,783
Earnings per share	*15*			
From continuing and discontinued operations				
Basic (in RMB per share)		1.90	2.30	1.46
Diluted (in RMB per share)		1.89	2.30	1.46
From continuing operations				
Basic (in RMB per share)		1.46	0.92	1.46
Diluted (in RMB per share)		1.46	0.92	1.46

Consolidated statements of financial position

		As at December 31,		
	Notes	**2022**	**2023**	**2024**
		RMB'M	*RMB'M*	*RMB'M*
Non-current Assets				
Property, plant and equipment	*16*	71,688	66,618	70,768
Right-of-use assets	*17*	3,099	3,203	3,198
Investment properties	*18*	276	268	246
Goodwill	*19*	574	558	545
Intangible assets	*20*	8,573	5,443	5,521
Interests in associates	*21*	3,183	4,583	4,808
Interests in joint ventures	*22*	2,838	2,815	2,986
Other receivables	*23*	81	141	116
Derivative financial instruments	*24*	–	188	168
Financial assets at fair value through profit or loss ("**FVTPL**")	*25*	4,327	4,334	4,434
Equity instruments at FVTOCI	*26*	255	226	253
Amount due from related companies	*34*	64	59	59
Deferred tax assets	*27*	2,255	2,481	2,628
Deposits paid for investments		10	–	–
Prepayment and deposits paid for acquisition of property, plant and equipment, land use rights and right of operation		191	115	34
Restricted bank deposits	*30*	599	713	713
		98,013	91,745	96,477
Current Assets				
Inventories	*28*	2,417	2,167	2,325
Trade and other receivables	*23*	17,288	16,271	14,120
Contract assets	*29*	3,030	2,453	2,109
Derivative financial instruments	*24*	2,897	1,351	272
Financial assets at FVTPL	*25*	26	200	–
Amounts due from associates	*32*	417	426	439
Amounts due from joint ventures	*33*	528	555	604
Amounts due from related companies	*34*	91	153	164
Restricted bank deposits	*30*	534	478	612
Cash and cash equivalents	*30*	10,955	18,776	15,364
		38,183	42,830	36,009

		As at December 31,		
	Notes	**2022**	**2023**	**2024**
		RMB'M	*RMB'M*	*RMB'M*
Current Liabilities				
Trade and other payables	*35*	17,303	15,006	14,246
Contract liabilities	*36*	17,402	14,924	14,487
Deferred income	*37*	71	112	79
Amounts due to associates	*32*	589	870	621
Amounts due to joint ventures	*33*	295	223	288
Amounts due to related companies	*34*	389	492	538
Taxation payables		2,294	2,245	1,625
Lease liabilities	*38*	108	134	181
Derivative financial instruments	*24*	1,019	294	940
Bank and other loans	*39*	9,268	11,848	10,448
		48,738	46,148	43,453
Net Current Liabilities		(10,555)	(3,318)	(7,444)
Total Assets less Current Liabilities		87,458	88,427	89,033
Capital and Reserves				
Share capital	*40*	3,099	3,098	3,097
Reserves		14,479	20,556	20,370
Equity attributable to owners of the Company		17,578	23,654	23,467
Non-controlling interests		33,984	34,882	37,076
Total Equity		51,562	58,536	60,543
Non-current Liabilities				
Other payables	*35*	1,571	957	814
Contract liabilities	*36*	2,847	2,720	2,650
Deferred income	*37*	1,048	1,111	1,057
Lease liabilities	*38*	310	362	401
Derivative financial instruments	*24*	48	14	108
Bank and other loans	*39*	12,112	8,746	7,595
Notes	*41*	14,378	12,842	12,794
Deferred tax liabilities	*27*	3,582	3,139	3,071
		35,896	29,891	28,490
		87,458	88,427	89,033

Consolidated statements of changes in equity

	Equity attributable to owners of the Company																
	Share capital	Treasury Shares	Share premium	Merger reserve	Special reserve	Share option reserve	Revaluation reserve	Hedging reserve	Exchange reserves	Others reserve	Designated safety reserve	Surplus reserve fund	General fund	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'M (*Note 40*)	*RMB'M* (*Note f*)	*RMB'M*	*RMB'M* (*Note e*)	*RMB'M* (*Note a*)	*RMB'M*	*RMB'M*	*RMB'M* (*Note 42*)	*RMB'M*	*RMB'M*	*RMB'M* (*Note b*)	*RMB'M* (*Note c*)	*RMB'M* (*Note d*)	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
At 1 January 2022	2,846	(125)	2,712	1,816	39	105	9	79	179	7	43	224	175	8,608	16,717	31,667	48,384
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	–	–	5,843	5,843	5,230	11,073
Other comprehensive income/(expense) for the year . .	–	–	–	–	–	–	(6)	(41)	221	–	–	–	–	–	174	(309)	(135)
Total comprehensive income/(expense) for the year . .	–	–	–	–	–	–	(6)	(41)	221	–	–	–	–	5,843	6,017	4,921	10,938
Disposal of investment in equity instruments at FVTOCI	–	–	–	–	–	–	11	–	–	–	–	–	–	(11)	–	–	–
Repurchase of shares	–	(101)	–	–	–	–	–	–	–	–	–	–	–	–	(101)	–	(101)
Release of share under share-based payment	–	34	45	–	–	(45)	–	–	–	–	–	–	–	–	34	–	34
Recognition of equity-settled share-based payment	–	–	–	–	–	74	–	–	–	–	–	–	–	–	74	57	131
Changes of ownership interest in subsidiaries that do not result in a loss of control	–	–	–	–	(4)	–	–	–	–	–	–	–	–	–	(4)	54	50

	Equity attributable to owners of the Company															Non-controlling interests	Total equity
	Share capital	Treasury Shares	Share premium	Merger reserve	Special reserve	Share option reserve	Revaluation reserve	Hedging reserve	Exchange reserves	Others reserve	Designated safety reserve	Surplus reserve fund	General fund	Retained earnings	Sub-total		
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
	(Note 40)	*(Note f)*		*(Note e)*	*(Note a)*			*(Note 42)*			*(Note b)*	*(Note c)*	*(Note d)*				
Acquisition/disposal of interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(29)	(29)
Effect arising from the Reorganisation *(Note e)*	253	–	4,022	(8,570)	–	–	–	–	–	–	–	–	–	–	(4,295)	(41)	(4,336)
Designated safety reserve *(Note b)*																	
– Addition	–	–	–	–	–	–	–	–	–	–	241	–	–	–	241	31	272
– Utilisation	–	–	–	–	–	–	–	–	–	–	(232)	–	–	–	(232)	(27)	(259)
Transfer to surplus reserve fund *(Note c)*	–	–	–	–	–	–	–	–	–	–	–	107	–	(107)	–	–	–
Transfer to general fund *(Note d)*	–	–	–	–	–	–	–	–	–	–	–	–	14	(14)	–	–	–
Dividends appropriation	–	–	–	–	–	–	–	–	–	–	–	–	–	(873)	(873)	–	(873)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,649)	(2,649)
At 31 December 2022	3,099	(192)	6,779	(6,754)	35	134	14	38	400	7	52	331	189	13,446	17,578	33,984	51,562

	Equity attributable to owners of the Company																
	Share capital	Treasury Shares	Share premium	Merger reserve	Special reserve	Share option reserve	Revaluation reserve	Hedging reserve	Exchange reserves	Others reserve	Designated safety reserve	Surplus reserve fund	General fund	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
	(Note 40)	*(Note f)*		*(Note e)*	*(Note a)*			*(Note 42)*			*(Note b)*	*(Note c)*	*(Note d)*				
At 31 December 2022	3,099	(192)	6,779	(6,754)	35	134	14	38	400	7	52	331	189	13,446	17,578	33,984	51,562
Impacts of Amendments to HKAS	–	–	–	–	–	–	–	–	–	–	–	–	–	(2)	(2)	–	(2)
At 1 January 2023 (restated)	3,099	(192)	6,779	(6,754)	35	134	14	38	400	7	52	331	189	13,444	17,576	33,984	51,560
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	–	–	7,091	7,091	5,439	12,530
Other comprehensive income/(expense) for the year	–	–	–	–	–	–	(3)	766	116	–	–	–	–	–	879	(8)	871
Total comprehensive income/(expense) for the year	–	–	–	–	–	–	(3)	766	116	–	–	–	–	7,091	7,970	5,431	13,401
Cancellation of shares	(1)	2	(1)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Release of share under share-based payment	–	32	43	–	–	(42)	–	–	–	–	–	–	–	–	33	–	33
Recognition of equity-settled share-based payment	–	–	–	–	–	32	–	–	–	–	–	–	–	–	32	19	51
Changes of ownership interest in subsidiaries that do not result in a loss of control	–	–	–	–	(74)	–	–	–	–	–	–	(301)	–	–	(375)	(613)	(988)
Acquistion/disposal of interests in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(974)	(974)
Designated safety reserve *(Note b)*																	
– Addition	–	–	–	–	–	–	–	–	–	–	208	–	–	–	208	23	231
– Utilisation	–	–	–	–	–	–	–	–	–	–	(213)	–	–	–	(213)	(24)	(237)

	Equity attributable to owners of the Company																
	Share capital	Treasury Shares	Share premium	Merger reserve	Special reserve	Share option reserve	Revaluation reserve	Hedging reserve	Exchange reserves	Others reserve	Designated safety reserve	Surplus reserve fund	General fund	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
	(Note 40)	*(Note f)*		*(Note e)*	*(Note a)*			*(Note 42)*			*(Note b)*	*(Note c)*	*(Note d)*				
Transfer to surplus reserve fund *(Note c)*	–	–	–	–	–	–	–	–	–	–	–	486	–	(486)	–	–	–
Dividends appropriation	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,577)	(1,577)	–	(1,577)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,964)	(2,964)
At 31 December 2023	3,098	(158)	6,821	(6,754)	(39)	124	11	804	516	7	47	516	189	18,472	23,654	34,882	58,536
At 1 January 2024	3,098	(158)	6,821	(6,754)	(39)	124	11	804	516	7	47	516	189	18,472	23,654	34,882	58,536
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	–	–	4,493	4,493	5,451	9,944
Other comprehensive income/(expense) for the year	–	–	–	–	–	–	1	(1,368)	118	–	–	–	–	–	(1,249)	88	(1,161)
Total comprehensive income/(expense) for the year	–	–	–	–	–	–	1	(1,368)	118	–	–	–	–	4,493	3,244	5,539	8,783
Repurchase and cancellation of shares, net	(1)	(352)	(7)	–	–	–	–	–	–	–	–	–	–	–	(360)	–	(360)
Release of share under share-based payment	–	28	42	–	–	(41)	–	–	–	–	–	–	–	–	29	–	29
Recognition of equity-settled share-based payment	–	–	–	–	–	11	–	–	–	–	–	–	–	–	11	–	11
Change of ownership interests in subsidiaries that do not result in a loss of control	–	–	–	–	(36)	–	–	–	–	–	–	(277)	–	–	(313)	(400)	(713)

	Equity attributable to owners of the Company																
	Share capital	Treasury Shares	Share premium	Merger reserve	Special reserve	Share option reserve	Revaluation reserve	Hedging reserve	Exchange reserves	Others reserve	Designated safety reserve	Surplus reserve fund	General fund	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
	(Note 40)	*(Note f)*		*(Note e)*	*(Note a)*			*(Note 42)*			*(Note b)*	*(Note c)*	*(Note d)*				
Acquisition/disposal of interests in subsidiaries	–	–	–	–	–*	–	–	–	–	–	–	–	–	–	–*	(9)	(9)
Designated safety reserve *(Note b)*																	
– Addition	–	–	–	–	–	–	–	–	–	–	87	–	–	–	87	23	110
– Utilisation	–	–	–	–	–	–	–	–	–	–	(80)	–	–	–	(80)	(24)	(104)
Transfer to surplus reserve fund *(Note c)*	–	–	–	–	–	–	–	–	–	–	–	260	–	(260)	–	–	–
Transfer to general fund *(Note d)*	–	–	–	–	–	–	–	–	–	–	–	–	8	(8)	–	–	–
Dividends appropriation *(Note 14)*	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,805)	(2,805)	–	(2,805)
Dividends paid to non-controlling	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(2,935)	(2,935)
At 31 December 2024	3,097	(482)	6,856	(6,754)	(75)	94	12	(564)	634	7	54	499	197	19,892	23,467	37,076	60,543

Notes:

* Amount less than RMB1,000,000.

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

b. Pursuant to relevant People's Republic of China ("**PRC**") regulation, the Group is required to transfer 1.5% on revenue generated from construction and installation, transportation of gas or other dangerous chemical into a designated fund. The fund will be used for installation and repair and maintenance of safety facilities. The movement during the year represents the difference between the amount provided and the amount utilised during the year.

c. In accordance with the PRC regulations, the surplus reserve fund retained by subsidiaries in the PRC is non-distributable.

d. In accordance with the PRC regulations, the general fund retained by subsidiaries in the PRC is non-distributable.

e. Merger reserve represents the difference between the consideration paid by the Group to the ultimate controlling party and the share capital of 新奥(舟山)液化天然氣有限公司 during the relevant period.

As part of the consideration for the acquisition of the aforementioned entities under common control of the Group was exchanged by issuance of the new share capital and the cash payment with a total of approximately RMB8,550 million.

f. Treasury shares comprises the value of those ordinary shares repurchased and cancelled and released under share-based payment. At 31 December 2022, 2023 and 2024, the Company had outstanding treasury shares of 20 million, 15 million and 30 million.

Consolidated statements of cash flows

	Notes	Year ended December 31, 2022	2023	2024
		RMB'M	*RMB'M*	*RMB'M*
Operating Activities				
Profit before tax				
From continuing operations		13,106	11,060	12,636
From discontinued operation	*13*	1,571	4,706	–
		14,677	15,766	12,636
Adjustments for:				
Share of results of joint ventures		18	(54)	(249)
Share of results of associates		(151)	(180)	(328)
Exchange differences	*8*	1,598	390	320
Net gain on derivative financial instruments	*8*	(1,781)	(1,241)	(378)
Impairment losses on goodwill	*8*	–	16	–
Impairment losses on property, plant and equipment		93	2,027	120
Impairment losses on intangible assets	*8*	33	16	43
Impairment loss under expected credit loss model, net of reversal	*8*	424	407	451
Impairment losses on inventories	*8*	–	–	110
Loss on disposal of property, plant and equipment		148	73	75
Gain on disposal of right-of-use assets and intangible assets		(68)	(11)	(5)
Gain on disposal of subsidiaries		(2)	(4,276)	(43)
(Gain)/loss on remeasurement of the interest in joint ventures/ associates		(2)	(192)	3
Gain on disposal of joint ventures and associates	*8*	(2)	–	(2)
Dividend income from financial assets at FVTPL	*7*	(127)	(133)	(128)
Dividend income from equity instruments at FVTOCI	*7*	(7)	(22)	(14)
Net loss on fair value change of investment properties	*8*	35	9	16
Gain on fair value change of awarded shares	*8*	(10)	(14)	(3)
Share-based payment expenses		92	10	11

	Notes	Year ended December 31, 2022	2023	2024
		RMB'M	RMB'M	RMB'M
Depreciation of property, plant and equipment		3,338	3,578	3,391
Depreciation of right-of-use assets		230	229	271
Amortisation of intangible assets		524	534	551
Interest income		(261)	(317)	(466)
Gain on repurchase of notes	*8*	(21)	(287)	(103)
Net (gain)/loss of financial assets at FVTPL	*8*	33	(53)	(204)
Finance costs		1,396	1,415	1,139
Operating cash flow before movement in working capital		20,207	17,690	17,214
Movements in working capital:				
Decrease/(increase) in inventories		742	135	(279)
Decrease/(increase) in bills receivables		–	(139)	176
(Increase)/decrease in trade and other receivables		(817)	1,073	(215)
(Increase)/decrease in trade receivables measured at FVTOCI		(53)	(116)	352
(Decrease)/Increase in bills payables		(404)	(12)	54
(Increase)/decrease in prepayment		(955)	(587)	1,506
Decrease in loan recievables		23	–	21
Increase in contract assets		(442)	(250)	(119)
Increase/(decrease) in contract liabilities		709	(938)	(622)
(Decrease)/increase in trade and other payables		(943)	587	(652)
Increase in deferred income		151	196	272
Other working capital changes		134	(332)	(598)
Cash generated from operations		18,352	17,307	17,110
PRC enterprise income tax paid		(3,583)	(3,854)	(3,400)
Net cash generated from operating activities		14,769	13,453	13,710
Investing Activities				
Dividends received from joint ventures		87	108	174
Dividends received from associates		145	154	202
Dividends received from financial assets at FVTPL		75	187	128

		Year ended December 31,		
	Notes	**2022**	**2023**	**2024**
		RMB'M	*RMB'M*	*RMB'M*
Dividends received from equity instruments at FVTOCI		7	22	14
Interest received		291	355	560
Purchases of property, plant and equipment		(7,723)	(8,547)	(7,574)
Purchases of wealth management products		(10,552)	(9,891)	(30,778)
Redemptions of wealth management products		10,682	9,716	30,978
Addition of right-of-use assets		–	(97)	(45)
Acquisition of intangible assets		(997)	(615)	(755)
Net cash inflow/(outflow) on acquisition of subsidiaries		(33)	(59)	(3)
Proceed received from disposal of subsidiaries and related assets		64	10,165	(44)
Proceed from disposal of financial assets at FVTPL		–	6	–
Proceeds from disposal of property, plant and equipment and intangible assets		562	302	257
Purchases of equity instruments at FVTOCI		–	(2)	(25)
Investments in joint ventures		(517)	(55)	(28)
Investments in associates		(7)	(400)	(110)
Addition of restricted bank deposits		(406)	(532)	(554)
Release of restricted bank deposits		586	475	420
Other investing cash flows		1,117	1,358	743
Net cash (used in)/generated from investing activities		(6,619)	2,650	(6,440)

	Notes	Year ended December 31, 2022	2023	2024
		RMB'M	*RMB'M*	*RMB'M*
Financing Activities				
Interest paid		(1,513)	(1,479)	(1,233)
Advanced from banks and other financial institutions		9,485	6,120	4,540
Amounts repaid to banks and other financial institutions		(9,485)	(6,120)	(4,540)
Proceeds used in repurchase of shares		(101)	–	(360)
Net proceeds from ordinary shares issued upon exercise of share options		48	21	–
Proceeds from issuance of notes		3,579	499	998
Repayment of notes		(6,092)	(2,036)	(1,150)
Cash payment on acquisition in the interest in subsidiaries		(23)	(872)	(234)
Proceeds from the disposal of non-controlling interest		148	14	15
Capital reduction of non-controlling shareholders		(24)	(18)	(4)
Dividends paid to non-controlling shareholders		(2,617)	(3,033)	(2,749)
Dividends paid to shareholders		(873)	(1,577)	(2,805)
New bank loans and other loans raised		21,276	21,943	24,330
Repayment of bank loans and other loans		(18,980)	(21,711)	(26,671)
Repayment of lease liabilities		(126)	(63)	(146)
Cash flows used in common control transactions		(4,337)	–	–
Other financing cash flows		(42)	21	(724)
Net cash used in financing activities		(9,677)	(8,291)	(10,733)
Net increase/(decrease) in cash and cash equivalents		(1,527)	7,812	(3,463)
Cash and cash equivalents at the beginning of the year		12,412	10,955	18,776
Effect of foreign exchange rate changes		70	9	51
Cash and cash equivalents at the end of the year		10,955	18,776	15,364

Statements of financial position of the Company

	Notes	2022	2023	2024
		RMB'M	*RMB'M*	*RMB'M*
Non-current Assets				
Property, plant and equipment		2	2	2
Right-of-use assets		4	1	6
Intangible assets		37	46	27
Investments in subsidiaries	*54*	13,670	11,127	11,127
Interests in associates		46	30	26
Amounts due from subsidiaries	*54*	–	514	527
		13,759	11,720	11,715
Current Assets				
Trade and other receivables		6	13	5
Amounts due from subsidiaries	*54*	8,232	11,060	13,909
Cash and cash equivalents		352	2,965	273
		8,590	14,038	14,187
Current Liabilities				
Trade and other payables	*35*	250	1,305	2,022
Amounts due to subsidiaries	*54*	6,104	5,281	5,893
Taxation payables		–	248	151
Lease liabilities		2	–	2
Bank loans		600	767	12
		6,956	7,601	8,080
Net Current Assets		1,634	6,437	6,107
Total Assets less Current Liabilities		15,393	18,157	17,822
Capital and Reserves				
Share capital	*40*	3,099	3,098	3,097
Reserves	*55*	6,881	10,223	9,699
Total Equity		9,980	13,321	12,796
Non-current Liabilities				
Amounts due to subsidiaries	*54*	4,805	3,169	2,486
Other payables	*35*	–	955	814
Deferred income		7	5	–
Lease liabilities		–	–	2
Bank loans		601	197	195
Notes	*41*	–	510	1,529
		5,413	4,836	5,026
		15,393	18,157	17,822

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

ENN Natural Gas Co., Ltd. (the "**Company**") was established in the People's Republic of China (the "**PRC**") in July 1992 with the approval of Hebei Provincial Commission for Economic and Technological Reform through documents No. 1 and No. 40. The address of the Company's registered office and its principal place of business is Building B, No 118 Huaxiang Road, Development Zone, Langfang City, Hebei Province, The PRC.

ENN Group International Investment Limited is our parent company and Mr. Wang is the ultimate controlling party.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to the "**Group**") are presented in Renminbi ("**RMB**") and all values are rounded to the nearest million ('M) (RMB'M) except when otherwise indicated, which is the same as the functional currency of the Company.

The Company is an investment holding company. The activities of its principal subsidiaries are set out in Note 54.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

New and amendments to HKFRS Accounting Standards

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are effective for the Group's annual accounting period beginning on 1 January 2024, except for Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* with effect from 1 January 2023.

The accounting policies are set out in Note 3 below.

New and Amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after 1 January 2026.

4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. The minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of Historical Financial Information

The Historical Financial Information have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

Going Concern

In preparing the consolidated financial statements, the directors of the Company (the "**Directors**") have given careful consideration of the Group's net current liabilities of approximately RMB7,444 million as at 31 December 2024. Taking into account the continuity and availability of financial resources to the Group, among other things, the cash flows generated from its principal operations, availability of banking facilities and its expected future working capital requirements, the Directors are therefore satisfied that the Group will be able to meet in full its financial obligations when they fall due and continue its existing operation in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the noncontrolling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Performance obligations for contracts with customers

The Group recognises revenue from the following sources:

(1) Retail gas sales

The Group sells natural gas to customers through pipelines, including both residential households and commercial and industrial customers. Revenue is recognised when the piped natural gas is transferred to and consumed by customers of which the volume of gas sold is measured by gas meters installed at customer sites.

The Group also operates vehicle gas refuelling stations to refuel vehicles with liquefied natural gas ("**LNG**") and compressed natural gas ("**CNG**"). Revenue is recognised when the refuelling is completed at the refuelling stations, being the time when LNG or CNG is transferred to customers.

(2) Wholesale of gas

The Group supplies LNG to wholesale customers. Revenue is recognised when control of LNG has transferred, being when the LNG has been bulk delivered to the customers' specific location.

(3) Platform trading gas

The Group mainly purchases international natural gas resources, and cooperates with domestic owned and managed LNG liquid plants and other resources to sell natural gas to customers such as city gas operators, energy groups and large industries, distributors, energy operators, international oil and gas companies, and utility companies. When the control of natural gas is transferred (i.e. natural gas is delivered to a specific location of the customer), revenue is recognised.

(4) Energy production

The Group engages in the production and sales of methanol and other products, as well as the sales of goods. Based on the specific nature of the business and contractual provisions, revenue is recognised when control of the goods is transferred to the purchaser.

(5) Construction and installation

The Group provides construction and installation service under construction contracts with its customers. Such contracts are entered into for customers to gain access to the Group's gas pipelines or supply of integrated energy. Revenue is recognised over time based on the completion status of respective construction. The construction period is typically less than one year. The management considers that this output method is an appropriate measure of the progress towards complete satisfaction of the performance obligation.

(6) Infrastructure operation

The Group provides customers with LNG loading and unloading services, LNG storage services, LNG transmission services through the operation of natural gas terminal. The Group recognises the relevant revenue when the services have been provided and confirmed by the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

(7) Sales of integrated energy

The Group supplies various energy products, such as gas, electricity, cooling, heating and steam. Revenue from sales of integrated energy is recognised when the energy is transferred to and consumed by the customers.

In addition, the Group also provides customers with a variety of integrated energy services, including but not limit to power services and technology services. Revenue is recognised over time.

(8) Value added business

The Group provides customers with a variety of value added services, including but not limit to kitchen solutions, heating systems and security systems. The performance obligations transferred are integral. Revenue is recognised when installation service is rendered, being at the point the customers accept the services.

In addition, the Group also sells construction materials and other energy products to commercial and industrial customers. Revenue is recognised when control of goods has transferred, being at the point the customers purchase the goods.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligation, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a standalone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation.

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognised revenue on the basis of direct measurement of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of considerations for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advanced payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Business combinations or asset acquisition

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") except for transactions and events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

(a) deferred tax assets or liabilities, and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 and HKAS 19 Employee Benefits respectively;

(b) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date;

(c) assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

(d) lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases at the acquisition date, except for leases for which the lease term ends within 12 months of the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (which cannot exceed one year from the acquisition date), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

Expenditure incurred in relation to a common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

Property, plant and equipment

Property, plant and equipment are tangible assets included building and leasehold land (classified as finance lease) that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost or deemed cost for properties transferred from investment properties, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss. The cost of those items are measured in accordance with the measurement requirements of HKAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

If a property becomes an investment property because its use has changed as evidenced by end of owner occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the costs or deemed cost of assets (other than properties under construction) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owner-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("**CGU**") (or groups of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs). Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income and would not be reversed in subsequent periods.

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained, unless the Group can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

The Group's policy for goodwill arising on the acquisition of an associate and joint venture is described below.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development or from the development phase of an internal project is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss in the period when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amounts of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or group of units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if applicable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 30.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade day basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit-risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other income" line item in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other gains and losses" line item.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables and part of other receivables, restricted bank deposits, cash and cash equivalents, amounts due from associates/joint ventures/related companies) and other items (contract assets and financial guarantee contracts) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Default has been considered occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtors or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Lifetime ECL for trade receivables, contract assets and amounts due from associates/joint ventures/related companies arising from contracts with customers are considered individually for debtors with significant balances and collectively for the remaining taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables companies where the corresponding adjustment is recognised through a loss allowance account. For receivables that are measured at FVTOCI, the loss allowance is recognised in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other gains and losses" line item (Note 8) as part of the net foreign exchange gains/(losses);

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "Other gains and losses" line item as part of the gain/(loss) from changes in fair value of financial assets (Note 8);

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through other comprehensive income/revaluation reserve.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, amounts due to associates/joint ventures/related companies, bank and other loans and notes) that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost, using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "Other gains and losses" line item in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Other gains and losses" line item in profit or loss (Note 8) as part of net foreign exchange gains/(losses) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition

The Group derecognises a financial asset only when the rights to receive cash flows from the assets expire or, when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of receivables classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Generally, multiple embedded derivatives in a single instrument that are separated from the host contracts are treated as a single compound embedded derivative unless those derivatives relate to different risk exposures and are readily separable and independent of each other.

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period related, the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a straight-line basis. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "other gains and losses" line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedge reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate or joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any assets, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group applies HKFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits or losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Changes in the Group's interests in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Acquisition of additional interests in associates or joint ventures

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid is recognised in the profit or loss in the period in which the additional interest are acquired.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be recognised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary difference associated with investments in subsidiaries and interests in associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is recognised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the Amendments to HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Inventories

Inventories, including construction materials, gas appliances, natural gas, spare parts and consumables and integrated energy appliances and other energy inventories, are stated at the lower of cost and net realisable value. Costs of inventories are determined using weighted average cost formula. Net realisable value represents the estimated selling price for inventories less all estimated costs to completion and the costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a nonmonetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group' s foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Share-based payment

Equity-settled share-based payment transactions

Share options granted to employees (including Directors)

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). Vesting conditions, other than market condition, shall not be taken into account when estimating the fair value of the share options at the measurement date. Instead, vesting conditions, i.e. a specified service period with or without a performance target, shall be taken into account in estimating the number of equity instrument that will ultimately vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

Cash-settled share-based payment transactions

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. The fair value of the cash-settled share-based payments is determined without taking into consideration all non-market vesting conditions.

At the end of each reporting period until the liability is settled, and at the date of settlement, the liability is remeasured to fair value. For cash-settled share-based payments that are already vested, any changes in fair value are recognised in profit or loss for the year. For cash-settled share-based payments which are still subject to non-market vesting conditions, the effects of vesting and non-vesting conditions are accounted on the same basis as equity-settled share-based payments.

Lease

Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of various offices, warehouses, equipment and vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate; and
- amounts expected to be paid under residual value guarantees.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications")

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are included in the total lease payments using the index or rate as at the commencement date. Variable lease payments that do not depend on an index or a rate are excluded and are recognised as income when they are earned. When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Discontinued operations

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which:

– represents a separate major line of business or geographical area of operations;

– is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

– is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

Where an operation is classified as discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised if the revision affects only that reporting period, or in the reporting period of the revision and future reporting periods if the revision affects both current and future reporting periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of goodwill, intangible assets and certain property, plant and equipment

Determining whether goodwill, intangible assets and certain property, plant and equipment are impaired requires the estimation of the recoverable amount of the CGUs to which goodwill, intangible assets and certain property, plant and equipment have been allocated which is the higher of the fair value less costs of disposal and its value in use. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and assess the reasonableness of the key assumptions, including revenue growth rate, gross profit rate and discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or changes in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

Fair value measurement of financial instruments

As at 31 December 2022, 2023 and 2024, certain of the Group's financial instruments, including investment in unlisted equity securities amounting to RMB4,361 million, RMB4,332 million and RMB4,346 million, respectively, and derivative financial instruments net amounting to RMB1,830 million, RMB1,231 million and RMB(608) million, are measured at fair values by using different valuation techniques and unobserved inputs. Judgment and estimation are required in establishing the relevant valuation approach and inputs such as liquidity discount, estimates of future prices, market price volatility and credit risk. Changes in these factors could affect the fair values of these instruments. Further disclosures are set out in Note 51.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will impact the depreciation charges in the year in which the estimates. As at 31 December 2022, 2023 and 2024, the carrying amount of property, plant and equipment is RMB70,768 million, RMB66,618 million and RMB71,688 million, respectively.

5. REVENUE

From continuing operations

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Revenue from contract with customers comprises the following:			
Sales of goods			
Natural gas sales			
Retail of gas	70,051	69,453	67,241
Wholesale of gas	33,834	29,173	23,649
Direct gas sales by platform	16,314	10,649	12,884
Energy production	5,568	3,965	4,329
Integrated energy business	11,205	14,217	14,712
Value added business	2,411	2,297	2,562
	139,383	129,754	125,377
Provision of services			
Engineering construction and installation	8,440	8,517	5,936
Infrastructure operations	227	206	563
Integrated energy business	847	975	853
Value added business	1,123	1,663	2,217
	10,637	11,361	9,569
	150,020	141,115	134,946

Disaggregation of revenue from contracts with customers

For the year ended 31 December 2022

	Sales of goods	Provision of services	Total
	RMB'M	*RMB'M*	*RMB'M*
Types of goods or services			
Natural gas sales			
Retail of gas	70,051	–	70,051
Wholesale of gas	33,834	–	33,834
Direct gas sales by platform	16,314	–	16,314
Energy production	5,568	–	5,568
Engineering construction and installation	–	8,440	8,440
Infrastructure operations	–	227	227
Integrated energy business	11,205	847	12,052
Value added business	2,411	1,123	3,534
	139,383	10,637	150,020

For the year ended 31 December 2023

	Sales of goods	Provision of services	Total
	RMB'M	*RMB'M*	*RMB'M*
Types of goods or services			
Natural gas sales			
Retail of gas	69,453	–	69,453
Wholesale of gas	29,173	–	29,173
Direct gas sales by platform	10,649	–	10,649
Energy production	3,965	–	3,965
Engineering construction and installation	–	8,517	8,517
Infrastructure operations	–	206	206
Integrated energy business	14,217	975	15,192
Value added business	2,297	1,663	3,960
Total	129,754	11,361	141,115

For the year ended 31 December 2024

	Sales of goods	Provision of services	Total
	RMB'M	*RMB'M*	*RMB'M*
Types of goods or services			
Natural gas sales			
Retail of gas	67,241	–	67,241
Wholesale of gas	23,649	–	23,649
Direct gas sales by platform	12,884	–	12,884
Energy production	4,329	–	4,329
Engineering construction and installation	–	5,936	5,936
Infrastructure operations	–	563	563
Integrated energy business	14,712	853	15,565
Value added business	2,562	2,217	4,779
Total	125,377	9,569	134,946

Timing of revenue recognition

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
A point in time	140,733	131,623	128,157
Over time	9,287	9,492	6,789
Total	150,020	141,115	134,946

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of the reporting period are set out as below:

	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Engineering construction and installation	9,030	9,021	6,886

6. SEGMENT INFORMATION

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

Segment revenue and results

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

Inter-segment sales are charged at prevailing market rates.

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

From continuing operations

	Natural gas sales								
2022	Retail of gas	Wholesale of gas	Direct gas sales by platform	Energy production	Engineering construction and installation	Infrastructure operations	Integrated energy business	Value-added business	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Segment revenue	111,544	67,297	22,575	7,123	12,050	1,140	12,165	9,472	243,366
Inter-segment sales	(41,493)	(33,463)	(6,261)	(1,555)	(3,610)	(913)	(113)	(5,938)	(93,346)
Revenue from external customers	70,051	33,834	16,314	5,568	8,440	227	12,052	3,534	150,020
Segment profit before depreciation and amortisation	9,034	2,646	3,214	115	3,933	182	1,929	2,155	23,208
Depreciation and amortisation	(1,680)	(4)	(130)	(153)	(514)	(57)	(302)	(6)	(2,846)
Segment/gross profit	7,354	2,642	3,084	(38)	3,419	125	1,627	2,149	20,362

2023	Natural gas sales								
	Retail of gas	Wholesale of gas	Direct gas sales by platform	Energy production	Engineering construction and installation	Infrastructure operations	Integrated energy business	Value-added business	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Segment revenue	114,863	58,405	24,986	4,749	12,451	1,153	15,898	11,746	244,251
Inter-segment sales	(45,410)	(29,232)	(14,337)	(784)	(3,934)	(947)	(706)	(7,786)	(103,136)
Revenue from external customers	69,453	29,173	10,649	3,965	8,517	206	15,192	3,960	141,115
Segment profit before depreciation and amortisation	9,248	1,198	2,042	(82)	3,892	161	2,290	2,565	21,314
Depreciation and amortisation	(1,671)	(4)	(129)	(200)	(525)	(25)	(328)	(8)	(2,890)
Segment/gross profit	7,577	1,194	1,913	(282)	3,367	136	1,962	2,557	18,424

2024	Natural gas sales								
	Retail of gas	Wholesale of gas	Direct gas sales by platform	Energy production	Engineering construction and installation	Infrastructure operations	Integrated energy business	Value-added business	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Segment revenue	113,408	58,679	36,038	5,441	9,983	3,614	16,245	11,933	255,341
Inter-segment sales	(46,167)	(35,030)	(23,154)	(1,112)	(4,047)	(3,051)	(680)	(7,154)	(120,395)
Revenue from external customers	67,241	23,649	12,884	4,329	5,936	563	15,565	4,779	134,946
Segment profit before depreciation and amortisation	9,645	48	2,171	555	2,801	515	2,730	3,058	21,523
Depreciation and amortisation	(1,756)	(3)	(100)	(219)	(554)	(110)	(413)	(10)	(3,165)
Segment/gross profit	7,889	45	2,071	336	2,247	405	2,317	3,048	18,358

Segment assets and liabilities

An analysis of the Group's total assets and liabilities by segments is as follows:

2022	Natural gas sales								
	Retail of gas	Wholesale of gas	Direct gas sales by platform	Energy production	Engineering construction and installation	Infrastructure operations	Integrated energy business	Value-added business	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Assets:									
Segment assets	43,590	3,974	5,048	14,762	18,873	6,229	9,889	4,484	106,849
Interests in associates									3,183
Interests in joint ventures									2,838
Unallocated corporate assets									23,326
Consolidated total assets									136,196
Liabilities:									
Segment liabilities	14,733	212	2,704	3,900	18,606	3,650	4,521	2,667	50,993
Bank and other loans									18,123
Notes									14,378
Unallocated corporate liabilities									1,140
Consolidated total liabilities									84,634

An analysis of the Group's total assets and liabilities by segments is as follows:

2023	Natural gas sales								
	Retail of gas	Wholesale of gas	Direct gas sales by platform	Energy production	Engineering construction and installation	Infrastructure operations	Integrated energy business	Value-added business	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Assets:									
Segment assets	44,797	3,754	6,420	4,671	21,040	6,240	10,445	4,866	102,233
Interests in associates									4,583
Interests in joint ventures									2,815
Unallocated corporate assets									24,944
Consolidated total assets									134,575
Liabilities:									
Segment liabilities	15,973	206	1,900	827	17,434	540	2,769	2,381	42,030
Bank and other loans									20,081
Notes									12,842
Unallocated corporate liabilities									1,086
Consolidated total liabilities									76,039

	Natural gas sales								
2024	Retail of gas	Wholesale of gas	Direct gas sales by platform	Energy production	Engineering construction and installation	Infrastructure operations	Integrated energy business	Value-added business	Total
	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M
Assets:									
Segment assets	45,921	3,649	4,998	4,816	20,987	7,205	11,647	5,307	104,530
Interests in associates									4,808
Interests in joint ventures									2,986
Unallocated corporate assets									20,162
Consolidated total assets									132,486
Liabilities:									
Segment liabilities	15,195	216	1,652	362	16,058	1,499	2,845	2,622	40,449
Bank and other loans									16,822
Notes									12,794
Unallocated corporate liabilities									1,878
Consolidated total liabilities									71,943

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than unallocated corporate assets, which mainly including certain property, plant and equipment, right-of-use assets, intangible assets, goodwill, investment properties, interests in associates, interests in joint ventures, deferred tax assets, certain other receivables, deposits, amounts due from associates, joint ventures and related companies, equity instruments at FVTOCI, financial assets at FVTPL, derivative financial instruments, restricted bank deposits and cash and cash equivalents. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

- all liabilities are allocated to reportable segments other than unallocated corporate liabilities, which mainly including certain other payables, amounts due to associates, joint ventures and related companies, taxation payables, lease liabilities, bank and other loans, notes, derivative financial instruments and deferred tax liabilities. Liabilities for which segments are jointly liable are allocated in proportion to segments assets.

For the purposes of presenting segment revenue, results, assets and liabilities, the Group allocates certain property, plant and equipment, intangible assets and right-of-use assets to certain segments with the related depreciation and amortisation to those segments.

Other segment information

Amounts included in the measurement of segment profit and segment assets:

	Natural gas sales								
	Retail gas sales	Wholesale of gas	Direct gas sales by platform	Energy production	Engineering construction and installation	Infrastructure operation	Integrated energy business	Value-added business	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
2022									
Additions to non-current assets *(Note b)*	4,827	151	13	621	1,123	202	1,803	253	8,993
Depreciation and amortization	1,680	4	130	153	514	57	302	6	2,846
2023									
Additions to non-current assets *(Note b)*	5,291	46	22	289	1,038	923	2,045	263	9,917
Depreciation and amortisation	1,671	4	129	200	525	25	328	8	2,890
2024									
Additions to non-current assets *(Note b)*	5,267	44	28	37	1,060	601	1,778	213	9,028
Depreciation and amortisation	1,756	3	100	219	554	110	413	10	3,165

	Additions to non-current assets (Note b)			Depreciation and amortisation		
	Year ended December 31,			Year ended December 31,		
	2022	2023	2024	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Segment total	8,993	9,917	9,028	2,846	2,890	3,165
Adjustments *(Note a)*	186	359	363	1,025	1,285	1,048
Total	9,179	10,276	9,391	3,871	4,175	4,213

Notes:

(a) Adjustments represent amounts incurred for corporate headquarters and are not allocated to operating segments.

(b) Non-current assets represent property, plant and equipment, right-of-use assets, goodwill and intangible assets.

Geographical information

	Revenue from external customers Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Mainland China	127,555	129,463	127,225
Overseas	22,465	11,652	7,721
Total	150,020	141,115	134,946

	Non-current assets (note c) As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Mainland China	90,329	83,500	88,011
Overseas	93	103	95
Total	90,422	83,603	88,106

Notes:

(c) The non-current assets excluded financial instruments and deferred tax assets.

Information from major customers

There is no single customer contributing more than 10% of the total revenue of the Group for Track Record Period.

7. OTHER INCOME

From continuing operations

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'M	*RMB'M*	*RMB'M*
Other income mainly includes:			
Incentive subsidies *(Note a)*	388	514	558
Dividend income from equity instruments at FVTOCI	7	22	14
Dividend income from financial asset at FVTPL *(Note b)*	127	133	128
Interest income on bank deposits	136	224	377
Interest income on loan receivable from joint venture, associate and related parties	–	5	15
Interest income on loan receivables	125	88	74
Rental income from investment properties	60	68	99
Rental income from equipment	25	34	39
	868	1,088	1,304

Notes:

(a) The amount mainly represents refunds of various taxes as incentives asset-related subsidy income and other operating incentives related to the Group's operation by the government authorities in various cities of the PRC.

(b) During the years ended 31 December 2022, 2023 and 2024, the Group recognised dividend income of approximately RMB6 million, RMB4 million and RMB5 million, respectively, from Shanghai Dazhong Public Utilities (Group) Co., Ltd ("**Shanghai Utilities**") and approximately RMB118 million, RMB129 million and RMB123 million, respectively, from Sinopec Marketing Co., Ltd ("**Sinopec Marketing**").

8. OTHER GAINS AND LOSSES

From continuing operations

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Net (loss)/gain on disposal of:			
– Property, plant and equipment	(148)	(71)	(75)
– Right-of-use assets	68	5	5
– Intangible assets	–	3	–
– Subsidiaries	(4)	(70)	43
– Joint ventures/associates	2	–	2
Decrease in fair value of investment properties *(Note 18)*	(35)	(9)	(16)
Net gain/(loss) of:			
– Derivative financial instruments *(Note 24)*	1,781	1,241	378
– Financial asset at FVTPL	(33)	53	204
– Repurchase of notes	21	287	103
– Fair value change of awarded shares	10	14	3
Impairment losses under ECL model, net of reversal			
– Trade and other receivables	(288)	(425)	(376)
– Contract assets	(116)	(10)	(30)
– Amounts due from associates	(42)	28	(8)
– Amounts due from joint venture	23	3	(35)
– Amounts due from related companies	(1)	(3)	(2)
Gain/(loss) on remeasurement of the interest in a joint venture/an associate	2	192	(3)
Impairment losses recognised in respect of:			
– Property, plant and equipment	(93)	(2,009)	(120)
– Intangible assets	(33)	(16)	(43)
– Goodwill	–	(16)	–
– Inventories	–	–	(110)
Loss on foreign exchange, net *(Note)*	(1,598)	(390)	(320)
Others	504	654	472
	20	(539)	72

Note: Included in the amount for the years ended 31 December 2022, 2023 and 2024 are exchange loss of approximately RMB1,609 million, RMB282 million and RMB173 million respectively, arising from the translation of notes and bank loans denominated in United States dollars ("**USD**") to RMB.

9. FINANCE COSTS

From continuing operations

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Interest on:			
Bank and other loans	832	860	765
Notes	540	577	496
Lease liabilities	22	22	25
	1,394	1,459	1,286
Less: Amount capitalised under properties under construction *(Note)*	(116)	(113)	(119)
	1,278	1,346	1,167
Fair value loss/(gain) on foreign currency derivative designated as cash flow hedges for USD debts	18	(6)	(28)
	1,296	1,340	1,139

Note: Borrowing costs capitalised during the years ended 31 December 2022, 2023 and 2024 were incurred on funds borrowed specifically and generally for the purpose of expenditure on qualifying assets. In respect of funds borrowed generally for the purpose of expenditure on qualifying assets, the amount of borrowing costs capitalised during the Track Record Period was calculated by applying a capitalisation rate of 3.25%, 3.53% and 3.32%, respectively per annum for the years ended 31 December 2022, 2023 and 2024.

10. PROFIT BEFORE TAX

From continuing operations

Profit before tax from continuing operations has been arrived at after charging/(crediting):

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Share-based payment expenses, including directors' emoluments (included in administrative expenses)	92	26	11
Other staff costs, including directors' emoluments	6,026	6,005	6,261
Less: Amount of other staff costs capitalised under properties under construction	(258)	(274)	(275)
	5,860	5,757	5,997
Depreciation and amortisation:			
Property, plant and equipment	3,154	3,431	3,391
Intangible assets	487	515	551
Right-of-use assets	230	229	271
Total depreciation and amortisation *(Note)*	3,871	4,175	4,213
Auditors' remuneration			
– Audit service	6	6	6
– Non audit service	2	3	2
Research and development costs recognised as an expenses	1,218	955	824
Expense relating to short-term lease and others	3	74	66

Note: Allocation of total staff costs and depreciation and amortisation are as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Staff costs included in:			
Cost of sales	2,243	2,078	2,376
Distribution and selling expenses	855	869	1,012
Administrative expenses	2,331	2,408	2,236
Research and development expenses	431	402	373
	5,860	5,757	5,997

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Depreciation and amortisation included in:			
Cost of sales	2,846	2,890	3,165
Distribution and selling expenses	187	210	232
Administrative expenses	595	648	655
Research and development expenses	132	130	102
Others	111	297	59
	3,871	4,175	4,213

11. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEE EMOLUMENTS

a. Directors' emoluments

For the year ended 31 December 2022

Name of director	Fee	Salaries and allowance	Discretionary performance bonus	Share-based payment	Retirement benefit scheme contributions	Total emoluments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:						
Han Jishen *(Note (i))*	–	1,500	1,500	4,676	110	7,786
Yu Jianchao *(Note (ii))*	–	1,500	1,500	4,676	103	7,779
Jiang Chenghong *(Note (iii))*	–	–	–	2,338	–	2,338
Wang Yusuo	–	2,900	–	–	–	2,900
Zheng Hongtao	–	2,000	1,917	3,340	139	7,396
Zhang Jin	500	–	–	2,004	154	2,658
Wang Zizheng	500	–	–	–	–	500
Zhao Johnhuan *(Note (v))*	–	–	–	–	–	–
Sub-total	1,000	7,900	4,917	17,034	506	31,357
Independent non-executive directors:						
Tang Jiasong	165	–	–	–	–	165
Zhang Yu	165	–	–	–	–	165
Chu Yuansheng *(Note (vi))*	100	–	–	–	–	100
Wang Chunmei *(Note (vii))*	100	–	–	–	–	100
Li Xingang *(Note (viii))*	65	–	–	–	–	65
Qiao Gangliang *(Note (ix))*	65	–	–	–	–	65
Sub-total	660	–	–	–	–	660
Total	1,660	7,900	4,917	17,034	506	32,017

For the year ended 31 December 2023

Name of director	Fee	Salaries and allowance	Discretionary performance bonus	Share-based payment	Retirement benefit scheme contributions	Total emoluments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:						
Han Jishen *(Note (i))*	–	1,500	1,500	2,484	109	5,593
Yu Jianchao *(Note (ii))*	–	1,500	1,500	2,484	109	5,593
Jiang Chenghong *(Note (iii))*	–	291	–	1,242	13	1,546
Wang Yusuo	–	2,900	–	–	–	2,900
Zhang Yuying *(Note (iv))*	–	255	–	887	13	1,155
Zheng Hongtao	–	1,898	1,598	1,774	151	5,421
Zhang Jin	600	–	–	1,065	156	1,821
Wang Zizheng	500	–	–	–	–	500
Sub-total	1,100	8,344	4,598	9,936	551	24,529
Independent non-executive directors:						
Tang Jiasong	240	–	–	–	–	240
Zhang Yu	240	–	–	–	–	240
Chu Yuansheng *(Note (vi))*	240	–	–	–	–	240
Wang Chunmei *(Note (vii))*	240	–	–	–	–	240
Sub-total	960	–	–	–	–	960
Total	2,060	8,344	4,598	9,936	551	25,489

For the year ended 31 December 2024

Name of director	Fee	Salaries and allowance	Discretionary performance bonus	Share-based payment	Retirement benefit scheme contributions	Total emoluments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:						
Han Jishen *(Note (i))*	–	1,500	1,500	1,169	75	4,244
Yu Jianchao *(Note (ii))*	–	1,500	1,500	1,169	113	4,282
Jiang Chenghong *(Note (iii))*	–	2,000	2,000	585	147	4,732
Wang Yusuo	–	2,900	–	–	–	2,900
Zhang Yuying *(Note (iv))*	–	2,000	2,000	418	163	4,581
Zhang Jin	600	–	–	501	118	1,219
Wang Zizheng	600	–	–	–	–	600
Sub-total	1,200	9,900	7,000	3,842	616	22,558
Independent non-executive directors:						
Tang Jiasong	240	–	–	–	–	240
Zhang Yu	240	–	–	–	–	240
Chu Yuansheng *(Note (vi))*	240	–	–	–	–	240
Wang Chunmei *(Note (vii))*	240	–	–	–	–	240
Sub-total	960	–	–	–	–	960
Total	2,160	9,900	7,000	3,842	616	23,518

Notes:

i. Han Jishen has served as joint-chief executive officer of the Company since 29 September 2020.

ii. Yu Jianchao ceased to serve as joint-chief executive officer of the Company on 8 December 2023 and was appointed as the vice chairman of the Board (executive chairman) on 26 December 2023.

iii. Jiang Chenghong was appointed as joint-chief executive officer of the Company on 8 December 2023.

iv. Zhang Yuying was appointed as an executive director and president of the Company on 26 December 2023 and 8 December 2023, respectively.

v. Zhao Johnhuan was resigned as an executive director of the Company on 25 July 2022.

vi. Chu Yuansheng was appointed as an independent non-executive director of the Company on 25 July 2022.

vii. Wang Chunmei was appointed as an independent non-executive director on 25 July 2022.

viii. Li Xingang was resigned as independent non-executive director on 25 July 2022.

ix. Qiao Gangliang was resigned as independent non-executive director on 25 July 2022.

During the Track Record Period, no remuneration was paid by the Group to, or receivable by, the Directors, former Directors, former Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company.

No compensation was paid by the Group to, or receivable by, the Directors, former Directors, former Supervisors or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of the Group. Furthermore, none of the Directors, former Directors, or former Supervisors had waived or agreed to waive any emoluments during the same periods.

b. Supervisors

For the year ended 31 December 2022

Name of supervisors	Fee	Salaries and allowance	Discretionary performance bonus	Share-based payment	Retirement benefit scheme contributions	Total emoluments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Li Lan *(Note (i))*	–	153	65	–	–	218
Wang Xi	–	–	–	–	–	–
Liu Jie *(Note (ii))*	–	153	65	–	43	261
Cai Fuying *(Note (iii))*	–	–	–	–	–	–
Dong Yuwu *(Note (iv))*	–	153	65	–	41	259
	–	459	195	–	84	738

For the year ended 31 December 2023

Name of supervisors	Fee	Salaries and allowance	Discretionary performance bonus	Share-based payment	Retirement benefit scheme contributions	Total emoluments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Li Lan *(Note (i))*	–	305	131	–	–	436
Wang Xi	–	–	–	–	–	–
Liu Jie *(Note (ii))*	–	305	131	–	102	538
	–	610	262	–	102	974

For the year ended 31 December 2024

Name of supervisors	Fee	Salaries and allowance	Discretionary performance bonus	Share-based payment	Retirement benefit scheme contributions	Total emoluments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Li Lan *(Note (i))*	–	–	–	–	–	–
Wang Xi	–	–	–	–	–	–
Liu Jie *(Note (ii))*	–	305	131	–	115	551
	–	305	131	–	115	551

Notes:

i. Li Lan was appointed as chairman of the supervisory committee of the Company on 25 July 2022.

ii. Liu Jie was appointed as the employee representative supervisor of the Company on 25 July 2022.

iii. Cai Fuying was resigned as chairman of the supervisory committee and supervisor of the Company on 25 July 2022.

iv. Dong Yuwu was resigned as the employee representative supervisor of the Company on 25 July 2022.

c. Five highest paid individuals

None of the five highest paid individuals received any compensation for loss of office in connection with the management of the affairs of any member of the Group or as inducement to join the Company during years ended 31 December 2022, 2023 and 2024.

The five highest paid employees included three directors, four directors and five directors, for the years ended 31 December 2022, 2023 and 2024 respectively, details of whose remuneration are set out in Note 11 (a) above. Details of the remuneration for the year of the remaining two, one and nil highest paid non-director employees for the years ended 31 December 2022, 2023 and 2024 respectively who are neither a director nor chief executive of the Company are as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Salaries and allowance	2,505	1,000	–
Discretionary performance bonus	1,945	1,000	–
Share-based payment	4,676	887	–
Retirement benefits scheme contributions	238	117	–
	9,364	3,004	–

The number of the highest paid employees in Hong Kong Dollar ("**HK$**") not including the Directors whose remuneration fell within the following bands is as follows:

	Year ended December 31,		
	2022	2023	2024
HK$3,000,001 to HK$3,500,000	–	1	–
HK$4,000,001 to HK$4,500,000	1	–	–
HK$6,000,001 to HK$6,500,000	1	–	–
	2	1	–

12. INCOME TAX EXPENSE

From continuing operations

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Current tax	3,292	3,338	2,954
Over-provision in prior years	(58)	(202)	(54)
Over-provision of withholding tax in prior years	(5)	–	–
	3,229	3,136	2,900
Deferred tax *(Note 27)*	138	(349)	(208)
	3,367	2,787	2,692

The expense substantially represents PRC Enterprise Income Tax for the years ended 31 December 2022, 2023 and 2024.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate applicable for the PRC group entities is 25% for the Track Record Period.

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

For tax jurisdictions outside the PRC, income tax is calculated at the range of 10% to 17.0% of the estimated assessable profit for the Track Record Period.

As at 31 December 2024, the Group mainly operates in PRC, in which exposures to Pillar Two income taxes might exist in the future although the legislation is not yet substantively enacted or enacted. Besides, certain subsidiaries of the Company are located in jurisdictions where Pillar Two legislation had been enacted or substantively enacted, but not yet in effect, based on management's best estimate, it is estimated that the Group's income tax would not be materially different should those legislation had been in effect for the year ended 31 December 2024.

Income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Profit before tax	13,106	11,060	12,636
Tax at the PRC Enterprise Income tax rate of 25%	3,277	2,765	3,159
Tax effects of share of results of associates	(38)	(45)	(82)
Tax effects of share of results of joint ventures	5	(13)	(62)
Tax effects of income not taxable for tax purpose	(29)	(62)	(33)
Tax effects of expenses not deductible for tax purpose	37	44	30
Utilisation of tax losses previously not recognised	(108)	(271)	(309)
Tax effect of tax losses and deductible temporary differences not recognised	980	1,145	739
Tax concession and exemption granted to certain PRC subsidiaries	(33)	(44)	(39)
Effect of different tax rates of non-PRC subsidiaries	(666)	(530)	(657)
Over-provision in prior years	(58)	(202)	(54)
Income tax expense for the year	3,367	2,787	2,692

13. DISCONTINUED OPERATION

During the year ended 31 December 2023, the Group entered into a sales agreement to dispose of a subsidiary, Xinneng Mining Co., Ltd., which carried out all of the Group's coal mining operations. The disposal was effected in order to generate cash flows for the expansion of the Group's other business. The disposal was completed on 19 October 2023.

The profit for the year/period from the discontinued by coal mining operation is set out below.

	Year ended 31 December 2022	Period ended 19 October 2023
	RMB'M	*RMB'M*
Profit of coal mining operation for the year/period	1,334	303
Gain on disposal of coal mining operation	–	4,348
Income tax on gain of the disposal	–	(394)
	1,334	4,257

The results of the coal mining operation for the period from 1 January 2023 to 19 October 2023, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	Year ended 31 December 2022	Period ended 19 October 2023
	RMB'M	*RMB'M*
Revenue	2,983	1,130
Cost of sales	(1,246)	(651)
Gross profits	1,737	479
Other income	–	–
Other gains and losses	8	20
Distribution and selling expenses	(8)	(5)
Administrative expenses	(67)	(57)
Research and development expenses	(2)	(6)
Finance costs	(97)	(73)
Profit before tax	1,571	358
Income tax expenses	(237)	(55)
Profit for the period/year	1,334	303
Cash flows from discontinued operations:		
Net cash from operating activities	1,280	260
Net cash outflow from investing activities	(448)	(269)
Net cash (outflow)/inflow from financing activities	(841)	166

The carrying amounts of the assets and liabilities of Xinneng Mining Co., Ltd. at the date of disposal are disclosed in note 47.

14. DIVIDENDS

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Dividends for ordinary shareholder of the company	873	1,577	2,805

The final dividends of RMB0.31 per share (tax inclusive) in respect of the year ended 31 December 2021 were approved in 2021 Annual General Meeting of the Group. The final dividends have not been recognised as a liability but reflected as an appropriation of retained profits for the year ended 31 December 2022. The final dividends were paid in 2022.

The final dividends of RMB0.51 per share (tax inclusive) in respect of the year ended 31 December 2022 were approved in 2022 Annual General Meeting of the Group. The final dividends have not been recognised as a liability but reflected as an appropriation of retained profits for the year ended 31 December 2023. The final dividends were paid on 11 July 2023.

The final dividends of RMB0.91 per share (tax inclusive) in respect of the year ended 31 December 2023 were approved in 2023 Annual General Meeting of the Group. The final dividends have not been recognised as a liability but reflected as an appropriation of retained profits for the year ended 31 December 2024. The final dividends were paid on 1 August 2024.

The final dividends of RMB1.0 per share (tax inclusive) in respect of the year ended 31 December 2024 were approved in 2024 Annual General Meeting of the Group. The final dividends of RMB3,163 million have not been recognised as a liability but will be reflected as an appropriation of retained profits for the year ending 31 December 2025.

15. EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year, as adjusted to exclude the repurchase share.

The calculation of the diluted earnings per share amount is based on the profit attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the years ended 31 December 2022, 2023 and 2024, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of the basic and diluted earnings per share on the following data:

Earnings figures are calculated as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'M	*RMB'M*	*RMB'M*
Profit for the year for the basic and diluted earnings attributable to owners of the Company			
– From continuing operations	4,509	2,834	4,493
– From discontinued operation	1,334	4,257	–
	5,843	7,091	4,493

Number of shares

	Year ended December 31,		
	2022	**2023**	**2024**
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,079,304,754	3,081,042,594	3,083,741,327
Effect of dilutive potential ordinary shares:			
– Share options	5,335,975	3,406,004	2,186,772
Weighted average number of ordinary shares for the purpose of diluted earnings per share	3,084,640,729	3,084,448,598	3,085,928,099

From discontinued operations

Basic earnings per share for the discontinued operations is RMB0.44 and RMB1.38 per share for 2022 and 2023 and diluted earnings per share for the discontinued operations is RMB0.43 and RMB1.38 per share for 2022 and 2023, based on the profit for the year from the discontinued operations of approximately RMB4,257 million, RMB1,334 million and the denominators detailed above for both basic and diluted earnings per share.

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Pipelines	Machinery and equipment	Motor vehicles	Office equipment	Properties under construction	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Cost							
At 1 January 2022	13,781	48,470	14,212	646	2,035	4,505	83,649
Acquisition of subsidiaries	14	30	15	–	1	5	65
Additions	319	248	589	64	317	6,829	8,366
Reclassification	869	4,085	1,292	1	99	(6,346)	–
Transfer to intangible assets	–	–	–	–	–	(193)	(193)
Transfer to investment properties	(23)	–	–	–	–	–	(23)
Disposals	(135)	(224)	(511)	(75)	(62)	–	(1,007)
At 31 December 2022 and 1 January 2023	14,825	52,609	15,597	636	2,390	4,800	90,857
Acquisition of subsidiaries	14	–	–	3	–	256	273
Additions	207	43	1,103	41	147	7,436	8,977
Reclassification	2,259	3,483	1,436	1	303	(7,482)	–
Transfer to investment properties	(1)	–	–	–	–	–	(1)
Disposal of subsidiaries	(3,575)	(5,222)	(2,367)	(116)	(125)	–	(11,405)
Disposals	(43)	(141)	(238)	(113)	(73)	–	(608)
At 31 December 2023 and 1 January 2024	13,686	50,772	15,531	452	2,642	5,010	88,093
Additions	102	1,107	940	59	233	5,904	8,345
Transfer from investment properties	7	–	–	–	–	–	7
Reclassification	517	3,323	1,398	–	90	(5,328)	–
Transfer to investment properties	(1)	–	–	–	–	–	(1)
Disposal of subsidiaries	(57)	(250)	(197)	(12)	(13)	–	(529)
Disposals	(126)	(245)	(216)	(86)	(67)	–	(740)
At 31 December 2024	14,128	54,707	17,456	413	2,885	5,586	95,175
Depreciation and impairment							
At 1 January 2022	2,028	8,082	4,231	346	1,411	13	16,111
Provided for the year	422	1,513	1,100	76	227	–	3,338
Impairment loss	4	66	22	–	–	1	93
Transfer to investment properties	–*	–	–	–	–	–	–*
Eliminated on disposals	(25)	(120)	(124)	(65)	(39)	–	(373)
At 31 December 2022 and 1 January 2023	2,429	9,541	5,229	357	1,599	14	19,169
Provided for the year	430	1,597	1,222	76	253	–	3,578
Impairment loss	279	34	1,681	6	2	25	2,027
Transfer to investment properties	–*	–	–	–	–	–	–*
Disposal of subsidiaries	(495)	(1,274)	(980)	(71)	(99)	–	(2,919)
Eliminated on disposals	(16)	(53)	(152)	(91)	(55)	(13)	(380)
At 31 December 2023 and 1 January 2024	2,627	9,845	7,000	277	1,700	26	21,475
Provided for the year	392	1,606	1,090	48	255	–	3,391
Impairment loss	17	26	73	–	2	2	120
Reclassification	–	1	16	–	–	(17)	–
Transfer to investment properties	–*	–	–	–	–	–	–*
Disposal of subsidiaries	(14)	(64)	(83)	(11)	(7)	–	(179)
Eliminated on disposals	(37)	(90)	(149)	(73)	(51)	–	(400)
At 31 December 2024	2,985	11,324	7,947	241	1,899	11	24,407
Carrying values							
At 31 December 2022	12,396	43,068	10,368	279	791	4,786	71,688
At 31 December 2023	11,059	40,927	8,531	175	942	4,984	66,618
At 31 December 2024	11,143	43,383	9,509	172	986	5,575	70,768

* Amount less than RMB1 million

The above items of property, plant and equipment, other than properties under construction, are depreciated on a straight-line basis as follows:

Buildings	30-40 years
Pipelines	20-30 years
Machinery and equipment	6-30 years
Motor vehicles	6-8 years
Office equipment	6-8 years

At 31 December 2022, 2023 and 2024, except for certain land and buildings with carrying value of approximately RMB34 million, RMB33 million and RMB31 million, respectively, which are located in Hong Kong, the remaining land and buildings are located in the PRC.

At 31 December 2022, 2023 and 2024, the Group have buildings in the PRC with carrying value of approximately RMB1,021 million, RMB1,020 million and RMB1,584 million, respectively, is in the process of applying for ownership certificates. In the opinion of the Directors, the Group is not required to incur additional cost in obtaining the land use right certificates.

According to relevant laws and regulations and contract with the construction contractor for gas pipeline: (i) after all quality inspections are passed and the project is completed, the Group is entitled to obtain the title certificate for the pipeline; (ii) relevant intellectual property rights in the contract, such as drawings and technical data, belong to the Group; (iii) According to Regulation on the Administration of Urban Gas, for gas facilities constructed by the Group, the Group can operate them independently or may separately select gas operator.

The Group considered that the Group's gas pipelines are self-built and have the right to operate independently or choose to operate separately. In addition, the ownership of gas pipelines does not need to be transferred back to the government or its agents after a specific year. Therefore, the Directors concluded that the gas pipeline facilities and the related assets do not fall within the scope of HK(IFRIC) Interpretation 12 "Service Concession Arrangements".

Impairment assessment

Due to the underperformance of certain cash generating units, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment, with carrying amounts of RMB6,096 million as at 31 December 2023.

The recoverable amount of certain property, plant and equipment, are estimated individually, which have been determined based on their fair value less costs of disposal. The Group uses direct comparison to estimate the fair value less costs of disposal of the assets which is based on the recent transaction prices for similar assets adjusted for nature, location and conditions of the asset. The fair value measurement is categorised into Level 3 fair value hierarchy. The relevant assets were impaired to their recoverable amount, which is their carrying values at year end and the impairment of RMB643 million has been recognised in profit or loss within the relevant functions to which these assets relate during the year.

In addition, the Group estimates the recoverable amount of methanol plant and related assets has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a pre-tax discount rate is 10.84% as at 31 December 2023. The forecast is prepared based on the management budget and historical operation data. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the cash generating units' past performance and management expectations for the market development.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the methanol plant and related assets is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment, such that the carrying amount of each category of asset is not reduced below the highest of its value in use and zero. Based on the value in use of RMB4,069 million, impairment loss of RMB1,384 million has been recognised for the year ended 31 December 2023 against the carrying amount of property, plant and equipment, within the relevant functions to which these assets relate.

17. RIGHT-OF-USE ASSETS

	Land use rights	Leasehold land and buildings	Motor vehicles	Equipment	Others	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
As at 1 January 2022	2,716	225	1	20	–	2,962
Acquisition of subsidiaries	72	–	–	–	–	72
Additions	195	136	–	–	8	339
Disposals	(33)	(1)	–	(10)	–	(44)
Depreciation	(125)	(96)	(1)	(7)	(1)	(230)
As at 31 December 2022 and 1 January 2023	2,825	264	–	3	7	3,099
Acquisition of subsidiaries	15	–	–	–	–	15
Additions	333	214	–	2	3	552
Disposal of subsidiaries	(176)	–	–	–	–	(176)
Disposals	(56)	(2)	–	–	–	(58)
Depreciation	(118)	(108)	–	(1)	(2)	(229)
As at 31 December 2023 and 1 January 2024	2,823	368	–	4	8	3,203
Additions	100	112	2	155	4	373
Disposal of subsidiaries	(72)	–	–	–	–	(72)
Disposals	(28)	(7)	–	–	–	(35)
Depreciation	(116)	(141)	–	(11)	(3)	(271)
As at 31 December 2024	2,707	332	2	148	9	3,198

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Expense relating to short-term lease	3	74	66
Variable lease payments not included in the measurement of lease liabilities	–	19	14
Total cash outflow for leases	348	143	220

The Group leases various offices, warehouses, equipment and vehicles for its operations. Lease contracts are entered into for fixed term of 1 month to 50 years, but may have extension and termination options. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at 31 December 2022, 2023 and 2024, the Group have land use right in the PRC with carrying amount of approximately RMB131 million, RMB96 million and RMB93 million, respectively, is in the process of applying for the land use right certificates for the land in the PRC. In the opinion of the Directors, the Group is not required to incur additional cost in obtaining the land use right certificates.

The Group entered into several short-term leases for various offices, warehouses, equipment and vehicles. As at 31 December 2022, 2023, and 2024, the total outstanding commitments of such leases is RMB42 million, RMB62 million and RMB141 million, respectively.

The management conducted impairment assessment on relevant right-of-use assets and no impairment has been recognised.

18. INVESTMENT PROPERTIES

	RMB'M
Fair value	
At 1 January 2022	288
Net decrease in fair value recognised in other gains and losses	(35)
Transfer from property, plant and equipment	23
At 31 December 2022 and 1 January 2023	276
Net decrease in fair value recognised in other gains and losses	(9)
Transfer from property, plant and equipment	1
At 31 December 2023 and 1 January 2024	268
Net decrease in fair value recognised in other gains and losses	(16)
Transfer to property, plant and equipment	(7)
Transfer from property, plant and equipment	1
At 31 December 2024	246

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. These investment properties include land and buildings which comprise operating leases in respect of properties situated in the Mainland China and Hong Kong.

The fair value of the Group's investment properties at 31 December 2022, 2023 and 2024 has been arrived at on the basis of a valuation carried out on those dates by various independent valuers. The fair value was determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. A significant increase in the market rent used would result in a significant increase in fair value, and vice versa. The Group's investment properties were classified in the Level 3 of fair value hierarchy as at 31 December 2022, 2023 and 2024.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

19. GOODWILL

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Cost			
At beginning of the year	574	574	574
Disposal of subsidiaries	–	–	(13)
At end of the year	574	574	561
Impairment			
At 1 January	–	–	16
Impairment loss	–	16	–
At 31 December	–	16	16
Carrying values			
At 31 December	574	558	545

For the purposes of impairment testing, goodwill has been allocated to the following CGUs. At the end of the reporting period, the carrying value of goodwill mainly represents goodwill arising from the acquisition of:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Retail gas sales business	529	513	500
Whole sales of gas	12	12	12
Integrated energy business	30	30	30
Value added business	3	3	3
	574	558	545

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets that generate cash flows together with the related goodwill are also included in the respective cash-generating unit for the purpose of impairment assessment.

Retail gas sales business

The recoverable amount of the cash-generating units in this segment has been determined based on value in use calculations. Those calculations uses cash flow projections based on financial budgets approved by management covering a 5-year period as at 31 December 2022, 2023 and 2024, and discount rate of 11.21% to 11.96%, 11.49% to 11.72% and 11.14% to 11.44% as at 31 December 2022, 2023 and 2024 respectively. The management did not expect the growth for cash flows beyond the 5-year period. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales growth rate ranging from 0.1% to 31.6%, -1.54% to 20.41% and 0.1% to 6.87% as at 31 December 2022, 2023, and 2024 respectively and budgeted margin ratio ranging from 1.89% to 18.53%, 1.91% to 20.66% and 0.75% to 16.64% as at 31 December 2022, 2023, and 2024 respectively, such estimation is based on the unit's past performance and management's expectations for the market development.

During the year ended 31 December 2023, due to the market volatility of the natural gas, the directors of the Group have consequently determined impairment of goodwill directly related to Retail gas sales business segment amounting to RMB16 million. The impairment loss has been included in profit or loss in the other gains and losses line item.

20. INTANGIBLE ASSETS

	Patent	Mining rights	Software and technology	Right of operations	Development cost	Others	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Cost							
At 1 January 2022	267	3,058	1,129	5,812	14	230	10,510
Acquisition of subsidiaries	–	–	42	98	–	–	140
Additions	–	–	169	31	196	5	401
Reclassification	–	–	25	–	(25)	–	–
Transfer from property, plant and equipment *(Note 16)*	–	–	193	–	–	–	193
Disposal	–	–	(17)	(7)	–	–	(24)
At 31 December 2022 and 1 January 2023	267	3,058	1,541	5,934	185	235	11,220
Acquisition of subsidiaries	–	–	–	–	–	31	31
Additions	–	–	85	3	393	3	484
Reclassification	4	–	75	–	(79)	–	–
Disposal of subsidiaries	(1)	(3,058)	(62)	(191)	–	(2)	(3,314)
Disposal	–	–	(1)	(23)	–	–	(24)
At 31 December 2023 and 1 January 2024	270	–	1,638	5,723	499	267	8,397
Additions	2	–	127	203	333	8	673
Reclassification	14	–	416	–	(463)	33	–
Disposal of subsidiaries	(6)	–	–	–	–	–	(6)
Disposal	(2)	–	(2)	–	(2)	–	(6)
At 31 December 2024	278	–	2,179	5,926	367	308	9,058
Amortisation and impairment							
At 1 January 2022	101	103	415	1,361	–	114	2,094
Charge for the year	27	32	183	269	–	13	524
Impairment loss	–	–	–	33	–	–	33
Eliminated on disposal	–	–	(1)	(3)	–	–	(4)
At 31 December 2022 and 1 January 2023	128	135	597	1,660	–	127	2,647
Charge for the year	26	15	226	255	–	12	534
Impairment loss	–	–	–	16	–	–	16
Eliminated on disposal of subsidiaries	–	(150)	(32)	(58)	–	(1)	(241)
Eliminated on disposal	–	–	–	(2)	–	–	(2)
At 31 December 2023 and 1 January 2024	154	–	791	1,871	–	138	2,954
Charge for the year	22	–	256	248	–	25	551
Impairment loss	–	–	–	43	–	–	43
Eliminated on disposal of subsidiaries	(3)	–	–	–	–	–	(3)
Eliminated on disposal	(2)	–	(6)	–	–	–	(8)
At 31 December 2024	171	–	1,041	2,162	–	163	3,537
Carrying values							
At 31 December 2022	139	2,923	944	4,274	185	108	8,573
At 31 December 2023	116	–	847	3,852	499	129	5,443
At 31 December 2024	107	–	1,138	3,764	367	145	5,521

Patent are amortised on a straight-line method over the beneficial period ranging from 6 to 10 years.

Mining rights are amortised on units-of-production method based on the production capacity used in the given year.

Right of operations are amortised on a straight-line method over the operation periods ranging from 10 to 30 years.

Software and technology are amortised on a straight-line method over the periods ranging from 5 - 6 years.

Development cost mainly represents expenditure incurred during the development phase of the Group's integrated energy service technologies and online LNG data platform.

Impairment assessment

The management of the Group concluded there was indication of impairment when the financial performance of the relevant subsidiaries is not as expected and the management conducted impairment assessment on intangible assets. For the CGUs of sales of piped gas business in the PRC, the Group prepares a cash flow projection based on management best estimate.

Based on the result of the assessment, the management of the Group determined that the relevant assets were impaired to their recoverable amount at 31 December 2022, 2023 and 2024, which is their carrying values at year end. Impairment of intangible assets of approximately RMB33 million, RMB16 million and RMB43 million was recognised in relation to certain entities of the retail gas sales business have suffered losses due to the market volatility of the natural gas for the years ended 31 December 2022, 2023 and 2024 respectively.

21. INTERESTS IN ASSOCIATES

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Investment in associate under equity method	3,183	4,583	4,808

Aggregate information of associates that are not individually material:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Profit and total comprehensive income for the year	414	501	726
Group's share of profit and total comprehensive income from associates for the year	151	180	328
Aggregate carrying amount of the Group's interests in these associates	3,183	4,583	4,808

22. INTERESTS IN JOINT VENTURES

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Investment in joint ventures under equity method	2,838	2,815	2,986

Aggregate information of joint ventures that are not individually material:

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Profit and total comprehensive income for the year	14	144	422
Group's share of profit/(loss) and total income/(expense) from joint ventures for the year	(18)	54	249
Aggregate carrying amount of the Group's interests in these joint ventures	2,838	2,815	2,986

23. TRADE AND OTHER RECEIVABLES

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Trade receivables	6,356	7,180	6,930
Less: Allowance for credit loss	(770)	(1,097)	(1,452)
	5,586	6,083	5,478
Trade receivables measured at FVTOCI *(Note i)*	917	1,028	676
	6,503	7,111	6,154
Bill receivable *(Note ii)*	325	466	282
Loan receivables	48	50	29
Other receivables *(Note iii)*	3,318	1,294	1,372
	3,691	1,810	1,683
Less: Allowance for credit loss	(56)	(96)	(109)
	3,635	1,714	1,574
Deductible input value added tax and prepayment of other taxes and charges	1,927	2,230	2,552
Advances to suppliers and prepayments	5,304	5,357	3,956
	7,231	7,587	6,508
Total trade and other receivables	17,369	16,412	14,236
Analysed for reporting purpose as:			
Current portion	17,288	16,271	14,120
Non-current portion	81	141	116
Total trade and other receivables	17,369	16,412	14,236

Notes:

i. Certain bills held by the Group and the Company for the practice of discounting/endorsing to financial institutions/suppliers before the bills maturity date were classified as "trade and bills receivables measured at FVTOCI" under financial assets at FVTOCI in the consolidated statements of financial position. At the end of each reporting period, all the bills are with a maturity period of less than 12 months. The Group and the Company consider the credit risk is limited because counterparties are financial institutions with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

ii. The bills receivable was endorsed by PRC banks for guarantee payments and the default risk is considered to be minimal.

iii. Included in the Group's other receivables, aggregate amounts of approximately of RMB259 million, RMB147 million and RMB131 million as at 31 December 2022, 2023 and 2024 respectively, represent dividend receivables from equity investments.

As at 31 December 2022, 2023 and 2024, all bills receivable are with a maturity period of less than one year.

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

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
0 to 3 months	3,457	3,340	2,793
4 to 6 months	650	962	359
7 to 9 months	483	460	467
10 to 12 months	326	214	393
More than one year	1,440	2,204	2,918
	6,356	7,180	6,930

As at 1 January 2022, trade receivables, net of allowance for credit losses amounted to RMB5,619 million.

Details of impairment assessment of trade and other receivables for the years ended 31 December 2022, 2023 and 2024 are set out in Note 51.

24. DERIVATIVE FINANCIAL INSTRUMENTS

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Derivative financial assets			
Derivatives designated as cash flow hedges:			
Foreign currency derivative contracts *(Note a)*	–	38	258
Commodity derivative contracts *(Note b)*	351	1,048	22
Derivatives not designated in hedge accounting:			
Foreign currency derivative contracts *(Note a)*	–	–	102
Commodity derivative contract *(Note b)*	2,546	453	58
	2,897	1,539	440
Derivative financial liabilities			
Derivatives designated as cash flow hedges:			
Foreign currency derivative contracts *(Note a)*	48	31	–
Commodity derivative contracts *(Note b)*	170	77	665
Derivatives not designated in hedge accounting:			
Commodity derivative contract *(Note b)*	849	200	383
	1,067	308	1,048

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Analysed for reporting purpose as:			
Assets			
Current portion	2,897	1,351	272
Non-current portion	–	188	168
	2,897	1,539	440
Liabilities			
Current portion	1,019	294	940
Non-current portion	48	14	108
	1,067	308	1,048

For the year ended 31 December 2022

	Commodity Derivatives	Foreign Currency Derivatives	Total
	RMB'M	*RMB'M*	*RMB'M*
Net unrealised fair value gain included in other gains and losses			
Derivative designated as cash flow hedges – ineffective portion	19	6	25
Derivative not designated in hedge accounting	1,232	–	1,232
	1,251	6	1,257
Net realised fair value gain included in other gains and losses			
Derivative not designated in hedge accounting	523	1	524
	1,774	7	1,781

For the year ended 31 December 2023

	Commodity Derivatives	Foreign Currency Derivatives	Total
	RMB'M	*RMB'M*	*RMB'M*
Net unrealised fair value (loss)/gain included in other gains and losses			
Derivative designated as cash flow hedges – ineffective portion	(39)	7	(32)
Derivative not designated in hedge accounting	(1,466)	–	(1,466)
	(1,505)	7	(1,498)
Net realised fair value gain included in other gains and losses			
Derivative not designated in hedge accounting	2,723	16	2,739
	1,218	23	1,241

For the year ended 31 December 2024

	Commodity Derivatives	Foreign Currency Derivatives	Total
	RMB'M	*RMB'M*	*RMB'M*
Net unrealised fair value (loss)/gain included in other gains and losses			
Derivative designated as cash flow hedges – ineffective portion	(22)	13	(9)
Derivative not designated in hedge accounting	(542)	102	(440)
	(564)	115	(449)
Net realised fair value gain included in other gains and losses			
Derivative not designated in hedge accounting	795	32	827
	231	147	378

Notes:

(a) The Group is exposed to exchange rate risk mainly arising from various bonds, bank loans and LNG purchases from international suppliers denominated in USD. To manage and mitigate the foreign exchange exposure, the Group entered into various foreign currency derivative contracts (the "**Foreign Currency Derivatives**") with certain financial institutions. As at 31 December 2022, 2023 and 2024, the Foreign Currency Derivatives have a total notional amount of USD480 million, USD773 million and USD2,110 million, respectively, of which the maturity dates match to the maturity dates of certain debts and transaction date of certain highly probable LNG purchases denominated in USD, in which, certain Foreign Currency Derivatives are designated as hedging instruments and accounted for under hedge accounting. The cross currency swaps will enable the Group to buy USD at the predetermined rate of RMB/USD exchange rates on maturity dates.

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

25. FINANCIAL ASSETS AT FVTPL

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Financial assets at FVTPL			
Listed equity interest in Shanghai Utilities *(Note a)*	134	148	260
Unlisted equity interest in Sinopec Marketing *(Note b)*	4,170	4,170	4,170
Unlisted equity securities *(Note c)*	23	16	4
Unlisted wealth management products	26	200	–
	4,353	4,534	4,434

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Analysed for reporting purpose as:			
Assets			
Current portion	26	200	–
Non-current portion	4,327	4,334	4,434
	4,353	4,534	4,434

Notes:

(a) It represents 4.38% equity interest in Shanghai Utilities (1635.HK) as at 31 December 2022, 2023 and 2024.

(b) It represents 1.13% unlisted equity interest in Sinopec Marketing as at 31 December 2022, 2023 and 2024.

(c) The unlisted equity securities represent investments in entities incorporated in the PRC.

26. EQUITY INSTRUMENTS AT FVTOCI

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Listed equity securities	87	80	81
Unlisted equity securities	168	146	172
	255	226	253

The above unlisted equity securities represent investments in entities incorporated in the PRC. The Directors have elected to designate these investments as equity instruments at FVTOCI as they believe that the Group will hold these investments for strategic cooperation purpose and has no intention to dispose of these investments in the foreseeable future.

27. DEFERRED TAXATION

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Deferred tax assets	2,255	2,481	2,628
Deferred tax liabilities	(3,582)	(3,139)	(3,071)
	(1,327)	(658)	(443)

The following are the major deferred tax assets and liabilities recognised and movements thereon during the years ended 31 December 2022, 2023 and 2024:

	Unrealised profits	Deferred income	Lease liabilities	Equipment for one time deduction	Right-of-use assets	Capitalisation of interest in property, plant and equipment	Undistributed retained profit of PRC entities from 1 January 2008	Others	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
At 1 January 2022	(888)	(1,115)	–	1,664	–	270	373	904	1,208
Acquisition of subsidiaries	–	–	–	–	–	–	–	24	24
Disposal of subsidiaries	–	–	–	(3)	–	–	–	–	(3)
(Credit)/charge to profit or loss	(68)	53	–	236	–	18	(171)	70	138
Credit to other comprehensive income	–	–	–	–	–	–	–	(40)	(40)
As at 31 December 2022 and 1 January 2023	(956)	(1,062)	–	1,897	–	288	202	958	1,327
Application of HKAS	–	–	(102)	–	104	–	–	–	2
As at 1 January 2023 (restated)	(956)	(1,062)	(102)	1,897	104	288	202	958	1,329
Disposal of subsidiaries	36	(5)	–	(284)	–	(30)	–	8	(275)
(Credit)/charge to profit or loss	(54)	30	(21)	237	25	17	(138)	(445)	(349)
Credit to other comprehensive income	–	–	–	–	–	–	–	(47)	(47)
As at 31 December 2023 and 1 January 2024	(974)	(1,037)	(123)	1,850	129	275	64	474	658
Disposal of subsidiaries	–	–	–	(1)	–	–	–	–	(1)
(Credit)/charge to profit or loss	(47)	36	(20)	20	21	11	(20)	(209)	(208)
Credit to other comprehensive income	–	–	–	–	–	–	–	(6)	(6)
As at 31 December 2024	(1,021)	(1,001)	(143)	1,869	150	286	44	259	443

As at 31 December 2022, 2023 and 2024, the Group have unused tax losses of approximately RMB8,728 million, RMB10,368 million and RMB8,437 million, respectively, available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the uncertainty of future profit streams. The unrecognised tax losses will be expired in the following years ending 31 December:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
2023	542	–	–
2024	734	573	–
2025	850	730	403
2026	1,661	1,303	816
2027	4,941	3,623	1,873
2028	–	4,139	2,013
2029	–	–	3,332
	8,728	10,368	8,437

28. INVENTORIES

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Construction Materials	1,179	717	611
Gas appliance	228	147	144
Natural Gas	556	937	1,300
Integrated energy equipment	71	72	56
Energy production inventories	326	232	174
Others	57	62	40
	2,417	2,167	2,325

The cost of inventories recognised as an expense during the years ended 31 December 2022, 2023 and 2024 was approximately RMB123,528 million, RMB116,123 million and RMB110,075 million respectively.

29. CONTRACT ASSETS

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Gas pipeline installation	675	695	938
Integrated energy construction contracts	76	100	75
Construction and installation services	2,279	1,658	1,096
	3,030	2,453	2,109

As at 1 January 2022, contract assets amounted to RMB2,705 million.

30. CASH AND CASH EQUIVALENTS/RESTRICTED BANK DEPOSITS

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Cash and cash equivalents	10,955	18,776	15,364
Restricted bank deposits			
Current portion	534	478	612
Non-current portion	599	713	713
	1,133	1,191	1,325

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Bank deposits secured for:			
Right of operation	37	15	6
Mandatory reserves in the People's Bank of China ("**PBOC**")	417	436	438
Energy supplies	151	158	134
Bills payable	226	271	271
Others	302	311	476
	1,133	1,191	1,325

Cash and cash equivalents include bank balances with original maturities less than three months carrying interest at market rates ranging from 0% to 4.9%, 0% to 5.7% and 0% to 5.7% per annum as at 31 December 2022, 2023 and 2024 respectively. The bank balances denominated in RMB are deposited with banks in the PRC.

At 31 December 2022, 2023 and 2024, the cash and cash equivalents denominated in foreign currencies other than the functional currency of respective group entities is approximately RMB1,678 million, RMB5,364 million and RMB5,900 million respectively, of which approximately RMB1,604 million, RMB5,064 million and RMB5,661 million are denominated in USD, respectively, and approximately RMB70 million, RMB283 million and RMB190 million are denominated in HK$, respectively.

At 31 December 2022, 2023 and 2024, the restricted bank deposits carry fixed interest rate ranging from 0.05% to 4.13%, 0.05% to 4.13%, and 0.05% to 4.13% per annum, respectively. Except for the amount of mandatory reserves in the PBOC, other restricted bank deposits will be released upon the settlement of bank loans, the expiry of purchase contracts or right of operation. The mandatory reserves in the PBOC classified as non-current assets are deposits placed by ENN Finance and the reserves amount is subject to change with respect to the savings accepted by ENN Finance and the PBOC reserve rate is adjusted from time to time.

31. TRANSFER OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

At 31 December 2022, 2023 and 2024, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "**Endorsed Bills**") with a carrying amount of RMB171 million, RMB257 million and RMB157 million respectively to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

As part of its normal business, the Group entered into a trade receivable factoring arrangement (the "**Arrangement**") and transferred certain trade receivables to a bank. Under the Arrangement, the Group maybe required to reimburse the bank for loss of interest if any trade debtors have late payment up to 180 days. The Group is not exposed to default risks of the trade debtors after the transfer. Subsequent to the transfer, the Group did not retain any rights on the use of the trade receivables, including the sale, transfer or pledge of the trade receivables to any other third parties. The original carrying value of the trade receivables transferred under the Arrangement that have not been settled as at 31 December 2022, 2023 and 2024 were RMB Nil, RMB3 million and RMB Nil respectively.

Transferred financial assets that are derecognised in their entirety

At 31 December 2022, 2023 and 2024, the Group endorsed certain trade receivables measured at FVTOCI accepted by banks in Mainland China (the "**Derecognised Bills**") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of [RMB818 million, RMB754 million and RMB827 million respectively. The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2022, 2023 and 2024, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

32. AMOUNTS DUE FROM/TO ASSOCIATES

	As at December 31,		
	2022	**2023**	**2024**
	RMB'M	*RMB'M*	*RMB'M*
Amounts due from associates:			
Current portion	417	426	439

	As at December 31,		
	2022	**2023**	**2024**
	RMB'M	*RMB'M*	*RMB'M*
Amounts due to associates:			
Current portion	589	870	621

The aged analysis of the trade receivables from/payables to associates presented based on the invoice date, at the end of the reporting period is as follows:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Trade receivables due from associates (net of ECL)			
0 to 3 months	126	131	185
4 to 6 months	39	16	20
7 to 9 months	18	9	24
10 to 12 months	4	18	6
Over 1 year	163	42	67
	350	216	302

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Trade payables due to associates			
0 to 3 months	72	166	160
4 to 6 months	2	7	14
7 to 9 months	9	32	2
10 to 12 months	11	11	14
Over 1 year	27	45	50
	121	261	240

There is no formal credit period applied and the balance was repayable on demand. Owing to the strategic relationship with the associates, the Directors are of the view that the balance is not considered as in default.

The amounts due from/to associates are unsecured, interest-free and repayable on demand except for the amounts due from/to associates detailed in the following table.

At 31 December 2022

	Maturity date	Effective interest rate per annum	2022
			RMB'M
Loan payables to associates			
Deposit placing in the Group's finance company	–	0.35%	144
Unsecured	2024	2%-3.65%	270
			414

At 31 December 2023

	Maturity date	Effective interest rate per annum	2023
			RMB'M
Loan payables to associates			
Deposit placing in the Group's finance company	–	0.35%	123
Unsecured	2024	2%-3.45%	421
			544

At 31 December 2024

	Maturity date	Effective interest rate per annum	2024
			RMB'M
Loan payables to associates			
Deposit placing in the Group's finance company	–	0.35%	93
Unsecured	2025	1.6%-3.85%	248
			341

Details of impairment assessment of amounts due from associates are set out in Note 51.

33. AMOUNTS DUE FROM/TO JOINT VENTURES

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Amounts due from joint ventures:			
Current portion	528	555	604
Amounts due to joint ventures:			
Current portion	295	223	288

Included in the amounts due from joint ventures was approximately RMB48 million, RMB280 million and RMB121 million arising from the deposits placed for purchases of gas by the Group from the joint ventures which is repayable on demand as at 31 December 2022, 2023 and 2024, respectively.

The aged analysis of the trade receivables from/payables to joint ventures presented based on the invoice date, at the end of the reporting period is as follows:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Trade receivables due from joint ventures (net of ECL)			
0 to 3 months	224	66	230
4 to 6 months	47	28	50
7 to 9 months	12	16	43
10 to 12 months	12	4	13
Over 1 year	59	58	92
	354	172	428

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Trade payables due to joint ventures			
0 to 3 months	26	10	186
4 to 6 months	1	4	3
7 to 9 months	6	16	1
10 to 12 months	–	2	1
Over 1 year	6	31	21
	39	63	212

There is no formal credit period applied and the balance was repayable on demand. Owing to the strategic relationship with the joint ventures, the Directors are of the view that the balance is not considered as in default.

The amounts due from/to joint ventures are unsecured, interest-free and repayable on demand except for the amounts due from/to joint ventures detailed in the following table:

At 31 December 2022

	Maturity date	Effective interest rate per annum	2022
			RMB'M
Loan payables to joint ventures			
Deposit placing in the Group's finance company	–	0.35%	71
Unsecured	2025	4%-4.5%	97
			168

At 31 December 2023

	Maturity date	Effective interest rate per annum	2023
			RMB'M
Loan payables to joint ventures			
Deposit placing in the Group's finance company	–	0.35%	23
Unsecured	2024	3.85%	27
			50

At 31 December 2024

	Maturity date	Effective interest rate per annum	2024
			RMB'M
Loan payables to joint ventures			
Deposit placing in the Group's finance company	–	0.35%	21
Unsecured	2025	3.6%	7
			28

Details of impairment assessment of amounts due from joint ventures are set out in Note 51.

34. AMOUNTS DUE FROM/TO RELATED COMPANIES

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Amounts due from companies controlled by a director and shareholder with significant influence			
– Current portion	91	153	164
– Non-current portion	64	59	59
	155	212	223
Amounts due to companies controlled by a director and shareholder with significant influence	389	492	538

The related companies are controlled by Mr. Wang Yusuo ("**Mr. Wang**") who is a director and shareholder of the Company with significant influence. The maximum amount outstanding for the years ended 31 December 2022, 2023 and 2024 in respect of the related companies is RMB185 million, RMB236 million and RMB266 million, respectively.

The aged analysis of the trade receivables from/payables to related parties presented based on the invoice date, at the end of the reporting period is as follows:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Trade receivables due from related companies (net of ECL)			
0 to 3 months	23	62	45
4 to 6 months	16	12	19
7 to 9 months	8	9	21
10 to 12 months	5	11	15
Over 1 year	35	45	59
	87	139	159

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Trade payables due to related companies			
0 to 3 months	144	117	194
4 to 6 months	18	62	42
7 to 9 months	57	26	10
10 to 12 months	27	48	14
Over 1 years	75	112	76
	321	365	336

Apart from aggregate amounts of approximately RMB59 million and RMB59 million were 5% interest bearing loans due from related parties as at 31 December 2023 and 2024 respectively, other amount due from related companies are unsecured, interest free and repayable on demand.

Details of impairment assessment of amounts due from related companies are set out in Note 51.

35. TRADE AND OTHER PAYABLES

The Group

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Trade payables	10,000	10,015	9,297
Bills payables *(Note)*	857	781	780
Accrued staff cost	1,248	1,199	1,144
Other tax payables	592	360	346
Accrued charges and other payables *(Note)*	6,177	3,608	3,493
	18,874	15,963	15,060
Analysed for reporting purpose as:			
Current portion	17,303	15,006	14,246
Non-current portion	1,571	957	814
Total trade and other payables	18,874	15,963	15,060

The following is an aged analysis of trade payables presented based on the billing date at the end of the reporting period.

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
0 to 3 months	5,955	5,888	5,135
4 to 6 months	1,105	1,148	882
7 to 9 months	622	540	487
10 to 12 months	594	454	529
More than one year	1,724	1,985	2,264
	10,000	10,015	9,297

The average credit period on purchases of goods is 30 to 90 days.

The Company

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Bills payables *(Note i)*	141	1,175	1,980
Other payables	109	1,085	856
	250	2,260	2,836
Analysed for reporting purpose:			
Current portion	250	1,305	2,022
Non-current portion	–	955	814
	250	2,260	2,836

Note:

These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoiced amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

Included in the Group's other payables, amounts of RMB34 million and 4 million as at 31 December 2022 and 31 December 2024 were dividend payables to related parties.

36. CONTRACT LIABILITIES

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Deposit for gas charges and other sales *(Note a)*	13,384	12,533	12,790
Deposit for construction and installation contracts *(Note b)*	3,709	2,151	1,437
Deferred income *(Note c)*	3,156	2,960	2,910
	20,249	17,644	17,137
Analysed for reporting purpose as:			
Current portion	17,402	14,924	14,487
Non-current portion	2,847	2,720	2,650
	20,249	17,644	17,137

As at 1 January 2022, contract liabilities amounted to RMB19,757 million.

Contract liabilities are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

The amount of revenue recognised in the years ended 31 December 2022, 2023 and 2024 relates to carried-forward contract liabilities were RMB14,797 million, RMB15,785 million and RMB13,422 million, respectively.

Notes:

(a) The Group requires the customers to deposit gas charges into magnetic cards which connected to the gas meters or into "IoT meters". When the customers consume the natural gas, corresponding value of deposits will be recognised as revenue in line with the volume of gas consumed at pre-determined unit price. The deposit would be typically consumed within one year.

(b) For construction and installation contracts, the Group normally receives a deposit before construction work commences. The Group continues to recognise revenue over time and apply output method in estimating the performance obligations satisfied throughout the construction and the installation period.

(c) The deferred income represents fees received from certain customers for maintaining the ongoing deliverability to supply gas at the discretion of the customers. The period to supply gas would be consistent with the operating period as stated in the right of operation.

37. DEFERRED INCOME

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Government grants			
At 1 January	967	1,119	1,223
Additions	220	302	491
Disposal of subsidiaries	(26)	(117)	(375)
Release to profit or loss	(42)	(81)	(203)
At 31 December	1,119	1,223	1,136
Analysed for reporting purpose as:			
Current portion	71	112	79
Non-current portion	1,048	1,111	1,057
	1,119	1,223	1,136

38. LEASE LIABILITIES

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Lease liabilities payables:			
With one year	108	134	181
More than one year, but not more than two years	88	101	134
More than two years, but not more than five years	137	132	161
More than five years	85	129	106
	418	496	582
Analysed for reporting purpose as:			
Current portion	108	134	181
Non-current portion	310	362	401
	418	496	582

The weighted average incremental borrowing rates applied to lease liabilities ranging from 3.13% to 4.02%, 3.27% to 4.19% and 2.89% to 3.88% per annum as at 31 December 2022, 2023 and 2024, respectively.

39. BANK AND OTHER LOANS

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Bank and other loans			
Secured	13,451	9,224	9,650
Unsecured	7,929	11,370	8,393
	21,380	20,594	18,043

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
The bank and other loans are repayable:			
On demand or with one year	9,268	11,848	10,448
More than one year, but not more than two years	3,491	2,492	3,836
More than two years, but not more than five years	5,059	4,696	2,279
More than five years	3,562	1,558	1,480
	21,380	20,594	18,043
Analysed for reporting purpose as:			
Current portion	9,268	11,848	10,448
Non-current portion	12,112	8,746	7,595
	21,380	20,594	18,043

As at 31 December 2022, 2023 and 2024, all the bank and other loans are denominated in the functional currency of respective group entities except for approximately RMB2,212 million, Nil and Nil, respectively which are denominated in USD.

The secured bank and other loans are secured by property, plant and equipment, rights to receive fee income of certain subsidiaries as set out in Note 50.

At 31 December 2022

	Maturity date	Effective interest rate per annum	Carrying amount
			RMB'M
Fixed-rate borrowings			
Unsecured bank and other loans in RMB	2023-2025	1.55%-3.85%	3,481
Unsecured bank loan in USD	2023	4.78%-4.87%	2,212
Secured bank loans in RMB	2023-2029	1.44%-4.80%	5,661
Total fixed-rate borrowings			11,354

	Maturity date	Effective interest rate per annum	Carrying amount
			RMB'M
Floating-rate borrowings			
Unsecured bank loans in RMB at PBOC base rate	2024-2030	3.50%-4.30%	2,236
Secured bank loans in RMB at PBOC base rate	2023-2035	3.10%-5.88%	7,790
Total floating-rate borrowings			10,026
Total borrowings			21,380

At 31 December 2023

	Maturity date	Effective interest rate per annum	Carrying amount
			RMB'M
Fixed-rate borrowings			
Unsecured bank and other loans in RMB	2024-2026	1.55%-4.00%	6,998
Secured bank loans in RMB	2024-2029	2.50%-4.50%	5,606
Total fixed-rate borrowings			12,604
Floating-rate borrowings			
Unsecured bank loans in RMB at PBOC base rate	2024-2030	0.80%-3.95%	4,372
Secured bank loans in RMB at PBOC base rate	2024-2035	2.70%-4.50%	3,618
Total floating-rate borrowings			7,990
Total borrowings			20,594

At 31 December 2024

	Maturity date	Effective interest rate per annum	Carrying amount
			RMB'M
Fixed-rate borrowings			
Unsecured bank and other loans in RMB	2025-2027	1.95%-4.00%	4,793
Secured bank loans in RMB	2025-2033	2.27%-4.50%	6,484
Total fixed-rate borrowings			11,277
Floating-rate borrowings			
Unsecured bank loans in RMB at PBOC base rate	2025-2030	2.80%-3.60%	3,600
Secured bank loans in RMB at PBOC base rate	2025-2037	1.50%-4.00%	3,166
Total floating-rate borrowings			6,766
Total borrowings			18,043

Banking facilities amounting RMB66,104 million, RMB66,953 million and RMB72,182 million granted to the Group, of which RMB19,270 million, RMB24,187 million and RMB23,540 million has been utilised as at 31 December 2022, 2023 and 2024.

40. SHARE CAPITAL

	Number of registered, issued and fully paid ordinary shares	Share capital
	'000	*RMB'M*
As at January 1, 2022	2,845,854	2,846
Issue of shares	252,809	253
As at December 31, 2022 and January 1, 2023	3,098,663	3,099
Share repurchased and cancelled, net	(265)	(1)
As at December 31, 2023 and January 1, 2024	3,098,398	3,098
Share repurchased and cancelled, net	(1,310)	(1)
As at December 31, 2024	3,097,088	3,097

41. NOTES

The Group

As at 31 December 2022, the Green Notes recognised in the consolidated statement of financial position are calculated cumulatively as follows:

	2030 Senior	2027 Senior	VEYONG 3.375% 2026	Total
	Notes (a)	*Notes (b)*	*Notes (c)*	
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*
Nominal value	5,137	3,612	5,101	13,850
Discount cost	(43)	(16)	(42)	(101)
Issue costs	(29)	(17)	(4)	(50)
Fair value at date of issuance	5,065	3,579	5,055	13,699
Repurchased	–	–	(212)	(212)
Cumulative effective interest recognised	312	113	775	1,200
Cumulative interest paid/payable	(257)	(92)	(265)	(614)
Exchange loss	84	221	–	305
Carrying amount at 31 December	5,204	3,821	5,353	14,378

As at 31 December 2023, the Green Notes recognised in the consolidated statement of financial position are calculated cumulatively as follows:

	2030 Senior	2027 Senior	VEYONG 3.375% 2026	23 ENN NG GN 001	Total
	Notes (a)	*Notes (b)*	*Notes (c)*	*Notes (d)*	
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Nominal value	5,137	3,612	5,101	500	14,350
Discount cost	(43)	(16)	(42)	–	(101)
Issue costs	(29)	(17)	(4)	(1)	(51)
Fair value at date of issuance	5,065	3,579	5,055	499	14,198
Repurchased	(1,429)	–	(1,114)	–	(2,543)
Cumulative effective interest recognised	453	299	965	11	1,728
Cumulative interest paid/payable	(396)	(271)	(449)	–	(1,116)
Exchange loss	193	285	97	–	575
Carrying amount at 31 December	3,886	3,892	4,554	510	12,842

As at 31 December 2024, the Green Notes recognised in the consolidated statement of financial position are calculated cumulatively as follows:

	2030 Senior	2027 Senior	VEYONG 3.375% 2026	23 ENN NG GN 001	24 ENN NG GN 001	Total
	Notes (a)	*Notes (b)*	*Notes (c)*	*Notes (d)*	*Notes (e)*	
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Nominal value	5,137	3,612	5,101	500	1,000	15,350
Discount cost	(43)	(16)	(42)	–	–	(101)
Issue costs	(29)	(17)	(4)	(1)	(2)	(53)
Fair value at date of issuance	5,065	3,579	5,055	499	998	15,196
Repurchased	(2,076)	–	(1,726)	–	–	(3,802)
Cumulative effective interest recognised	552	487	1,175	28	21	2,263
Cumulative interest paid/payable	(490)	(451)	(589)	(17)	–	(1,547)
Exchange loss	245	342	97	–	–	684
Carrying amount at 31 December	3,296	3,957	4,012	510	1,019	12,794

a. 2030 Senior Notes

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

According to the terms of the 2030 Senior Notes, the ENN Energy may, at any time and from time to time redeem the 2030 Senior Notes. The applicable 2030 Senior Notes will be redeemable at: (A) prior to 17 June 2030, the greater of (i) 100% of the principal amount of the applicable 2030 Senior Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the applicable 2030 Senior Notes to be redeemed, discounted to the date of redemption on a semi-annual basis at the Adjusted Treasury Rate (as defined in the offering memorandum dated 10 September 2020) plus 50 basis points, plus accrued and unpaid interest on the applicable 2030 Green Senior Notes to be redeemed; or (B) on or after 17 June 2030, 100% of the principal amount of the 2030 Senior Notes to be redeemed, plus accrued and unpaid interest, if any.

The fair value of the early redemption right is insignificant at initial recognition and at the end of the reporting periods. The effective interest rate is approximately 2.81% per annum after the adjustment for transaction costs.

In 2023, we repurchased the principal amount of USD200 million (equivalent to RMB1,436 million) in the public market and completed the cancellation of the repurchased bonds. In 2024, we repurchased the principal amount of USD91 million (equivalent to RMB649 million) in the public market.

b. 2027 Green Senior Notes

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

According to the terms of the 2027 Senior Notes, the ENN Energy may, at any time and from time to time redeem the 2027 Green Senior Notes. The applicable 2027 Senior Notes will be redeemable at: (A) prior to 17 April 2027, the greater of (i) 100% of the principal amount of the applicable 2027 Senior Notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the applicable 2027 Green Senior Notes to be redeemed, discounted to the date of redemption on a semi-annual basis at the Adjusted Treasury Rate (as defined in the offering memorandum dated 18 May 2022) plus 30 basis points, plus accrued and unpaid interest on the applicable 2027 Senior Notes to be redeemed; or (B) on or after 17 April 2027, 100% of the principal amount of the 2027 Senior Notes to be redeemed, plus accrued and unpaid interest, if any.

The fair value of the early redemption right is insignificant at initial recognition and at the end of the reporting periods. The effective interest rate is approximately 4.77% per annum after the adjustment for transaction costs.

c. VEYONG 3.375% 2026

On May 12, 2021, ENN Clean Energy International Investment Limited, a subsidiary of the company, issued USD800 million Notes with a coupon rate of 3.375% ("**VEYONG 3.375% 2026**"). The interest payment dates are 12 May and 12 November of each year starting from 12 November 2021. The interest calculation dates are 27 April and 28 October of each year. The bond is due in 2026 and is guaranteed by Xinao Natural Gas Co., Ltd. Starting from 12 May 2024, the issuer may choose to redeem all or part of the notes at any time. Redemption is available within a 12-month period starting from May 12th each year, the redemption rate will be 101.688% in 2024 and 100.844% in 2025. The issuer may choose to redeem all but not part of the bonds at any time before 12 May 2024, at a redemption price equal to 100% of the principal amount of the redeemed notes, plus insurance premiums for the redemption date (excluding the redemption date), accrued and unpaid interest (if any).

During the years ended 31 December 2022, 2023 and 2024, the Group repurchased the principal amount of USD30 million (equivalent to RMB211 million), USD127 million (equivalent to RMB902 million), USD86 million (equivalent to RMB612 million), respectively in the public market.

d. 23 ENN NG GN001

According to the "Notice of Acceptance of Registration" (Zhongshi Xiezhu 2022 No. GN28) issued by the National Association of Financial Market Institution Investors, the registration limit for the Company's green medium-term notes is RMB3 billion, and the registration limit is valid for 2 years from the date of the signing of notice. The Company has engaged Bank of China Limited as the lead underwriter and CITIC Bank Limited as the joint lead underwriter to issue a three-year green medium-term note ("**23 ENN NG GN001**") on 25 April 2023 with a face value of RMB500 million which will be repaid with interest payment in installments and principal repayments upon maturity. The coupon rate of this medium-term note is 3.30%, and the issuance price is RMB100 for one RMB100 note.

e. 24 ENN NG GN001

According to the "Notice of Acceptance of Registration" (Zhongshi Xiezhu 2022 No. GN28) issued by the National Association of Financial Market Institution Investor, the registration limit for the Company's green medium-term notes is RMB3 billion, and the registration limit is valid for 2 years from the date of the signing of notice. The Company has engaged Bank of China Limited as the main underwriter, Industrial Bank Co., Ltd., Postal Savings Bank of China Limited, Bank of Beijing Co., Ltd., China Everbright Bank Co., Ltd., China Merchants Bank Co., Ltd., and CITIC Bank Co., Ltd. as joint lead underwriters to issue a three-year green medium-term note ("**24 ENN NG GN001**") on 20 March 2024 with a face value of RMB1 billion, which will be repaid with interest payment in installments and principal repayments upon maturity. The coupon rate of this medium-term note is 2.65%, and the issuance price is RMB100 for one RMB100 note.

The Company

As at 31 December 2023, the Green Notes recognised in the statement of financial position are calculated cumulatively as follows:

	23 ENN NG GN 001
	Notes (d)
	RMB'M
Nominal value	500
Issue costs	(1)
Fair value at date of issuance	499
Cumulative effective interest recognised	11
Carrying amount at 31 December	510

As at 31 December 2024, the Green Notes recognised in the consolidated statement of financial position are calculated cumulatively as follows:

	23 ENN NG GN 001	24 ENN NG GN 001	Total
	Notes (d)	*Notes (e)*	
	RMB'M	*RMB'M*	*RMB'M*
Nominal value	500	1,000	1,500
Issue costs	(1)	(2)	(3)
Fair value at date of issuance	499	998	1,497
Cumulative effective interest recognised	28	21	49
Cumulative interest paid/payable	(17)	–	(17)
Carrying amount at 31 December	510	1,019	1,529

42. HEDGING RESERVE

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

	Commodity risk	Foreign exchange risk	Total
	RMB'M	*RMB'M*	*RMB'M*
Cash flow hedge reserve			
At 1 January 2022	72	(1)	71
Changes in fair value of hedging instruments	1,622	60	1,682
Gain reclassified to profit or loss – hedged item has affected profit or loss	–	(107)	(107)
Cumulative gain on changes in fair values transferred	(1,184)	–	(1,184)
Income tax relating to items that may be reclassified subsequently	(75)	–	(75)
At 31 December 2022 and 1 January 2023	435	(48)	387
Changes in fair value of hedging instruments	1,404	(6)	1,398
Gain reclassified to profit or loss – hedged item has affected profit or loss	–	(17)	(17)
Cumulative gain on changes in fair values transferred	(535)	–	(535)
Income tax relating to items that may be reclassified subsequently	(85)	–	(85)
At 31 December 2023 and 1 January 2024	1,219	(71)	1,148
Changes in fair value of hedging instruments	(1,026)	72	(954)
Loss reclassified to profit or loss – hedged item has affected profit or loss	–	10	10
Cumulative gain on changes in fair values transferred	(600)	(6)	(606)
Income tax relating to items that may be reclassified subsequently	163	–	163
At 31 December 2024*	(244)	5	(239)

* The entire balance in the cash flow hedge reserve relates to continuing hedges.

	Commodity risk	Foreign exchange risk	Total
	RMB'M	*RMB'M*	*RMB'M*
Cost of hedge reserve			
At 1 January 2022	6	2	8
Changes in fair value of time value/foreign currency basis component of time period related hedged items	–	(55)	(55)
Changes in the fair value in relation to transaction related hedged items	(365)	–	(365)
Amortisation to profit or loss on changes in fair value in relation to time period related hedged items	–	1	1
Income tax relating to items that may be reclassified subsequently	62	–	62
At 31 December 2022 and 1 January 2023	(297)	(52)	(349)
Changes in fair value of time value/foreign currency basis component of time period related hedged items	–	10	10
Changes in the fair value in relation to transaction related hedged items	(1)	(1)	(2)
Amortisation to profit or loss on changes in fair value in relation to time period related hedged items	–	(3)	(3)
At 31 December 2023 and 1 January 2024	(298)	(46)	(344)
Changes in fair value of time value/foreign currency basis component of time period related hedged items	–	39	39
Changes in the fair value in relation to transaction related hedged items	(4)	4	–
Amortisation to profit or loss on changes in fair value in relation to time period related hedged items	–	(21)	(21)
Income tax relating to items that may be reclassified subsequently	1	–	1
At 31 December 2024	(301)	(24)	(325)

	Commodity risk	Foreign exchange risk	Total
	RMB'M	*RMB'M*	*RMB'M*
At 31 December 2022	138	(100)	38
At 31 December 2023	921	(117)	804
At 31 December 2024	(545)	(19)	(564)

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

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

43. SHARE BASED PAYMENT TRANSACTIONS

a. Share based payment transactions of the Company

(i) Scheme 2021

The Scheme 2021 established in 2021, is designed to award the eligible participants who contribute to the success of the Group's operations and provide long-term incentives for employees to deliver long-term shareholder returns. Under the scheme, participants are granted options which only vest if certain performance standards are met and the employees, officers and directors shall remain in service.

On 26 March 2021 and 22 September 2021, the Company had granted 17,210,000 and 1,130,000 shares options to 49 and 10 incentive participants respectively, with an exercise price of RMB7.03 and RMB6.84 per share, respectively, to certain employees, officers and directors. The vesting periods for options granted are 1 year, 2 years, 3 years and 4 years from the grant date. According to the Company's performance appraisal and individual performance appraisal, 25%, 25%, 25% and 25% of share options will be vested respectively.

The following table discloses movements of the plan during Track Record Period:

	Number of restricted share options	Weighted average exercise price	Weighted average remaining contractual term
	'000	*RMB*	
At 1 January 2022	18,340	7.02	2.76 years
Exercised	(4,395)	7.02	
Cancelled	(165)	7.01	
Lapse/Forfeited	(100)	6.84	
At 31 December 2022 and 1 January 2023	13,680	7.02	1.26 years
Exercised	(4,233)	7.02	
Cancelled	(100)	7.03	
Lapse/Forfeited	(932)	7.02	
At 31 December 2023 and 1 January 2024	8,415	7.02	0.75 years
Exercised	(3,943)	7.02	
Cancelled	(253)	7.01	
Lapse/Forfeited	(324)	7.03	
At 31 December 2024	3,895	7.02	0.26 years

The fair value of the share options was calculated based on the market price of the Company's shares at the grant date.

b. Share based payment transactions of subsidiaries

The subsidiaries of the Company, ENN Energy Holdings Limited (the "**ENN Energy**") has adopted a share option scheme pursuant to an ordinary resolution passed at an AGM of the ENN Energy held on 26 June 2012 (the "**Scheme 2012**").

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

i. Scheme 2012

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

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

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

The following tables disclose details of the ENN Energy's share options held by the grantees and movements in such holdings under the share option scheme during the Track Record Period:

				Number of options			
	Date of grant	**Exercise period**	**Exercise price**	**Outstanding at 1.1.2022**	**Exercised during the year**	**Lapsed during the year**	**Outstanding at 31.12.2022**
			(HK$)				
Scheme 2012 – batch 1	9.12.2015	1.4.2017 to 8.12.2025	40.34	815,035	(127,300)	–	687,735
Weighted average exercise price . .							HK$40.34
Scheme 2012 – batch 2	28.3.2019	1.4.2020 to 27.3.2029	76.36	8,433,791	(647,700)	(892,084)	6,894,007
Weighted average exercise price . .							HK$76.36
Total				9,248,826	(775,000)	(892,084)	7,581,742

				Number of options			
	Date of grant	**Exercise period**	**Exercise price**	**Outstanding at 1.1.2023**	**Exercised during the year**	**Lapsed during the year**	**Outstanding at 31.12.2023**
			(HK$)				
Scheme 2012 – batch 1	9.12.2015	1.4.2017 to 8.12.2025	40.34	687,735	(4,600)	–	683,135
Weighted average exercise price . .							HK$40.34
Scheme 2012 – batch 2	28.3.2019	1.4.2020 to 27.3.2029	76.36	6,894,007	(304,000)	(1,013,566)	5,576,441
Weighted average exercise price . .							HK$76.36
Total				7,581,742	(308,600)	(1,013,566)	6,259,576

	Date of grant	Exercise period	Exercise price	Number of options: Outstanding at 1.1.2024	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2024
			(HK$)				
Scheme 2012 – batch 1	9.12.2015	1.4.2017 to 8.12.2025	40.34	683,135	(4,900)	–	678,235
Exercisable at the end of the year							678,235
Weighted average exercise price							HK$40.34
Scheme 2012 – batch 2	28.3.2019	1.4.2020 to 27.3.2029	76.36	5,576,441	–	(135,750)	5,440,691
Exercisable at the end of the year							5,440,691
Weighted average exercise price							HK$76.36
Total				6,259,576	(4,900)	(135,750)	6,118,926

Exercise price of the share options granted on 9 December 2015 is HK$40.34 per share, which represents the highest of (i) the closing price of HK$39.00 per share as stated in the daily quotations sheet of the Stock Exchange on 9 December 2015, being the date of grant; (ii) the average closing price of HK$40.34 per share as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the share.

Exercise price of the share options granted on 28 March 2019 is HK$76.36 per share, which represents the highest of (i) the closing price of HK$74.10 per share as stated in the daily quotations sheet of the Stock Exchange on 28 March 2019, being the date of grant; (ii) the average closing price of HK$76.36 per share as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the share.

In respect of the share options exercised during the years ended 31 December 2022, 2023 and 2024, the weighted average share price at the dates of exercise was HK$117.42, HK$112.48 and HK$62.83.

No share options were granted in the Track Record Period presented. For the years ended 31 December 2022, 2023 and 2024, 775,000 shares options, 308,600 share options and 4,900 shares options, respectively, were exercised and 892,084 share options, 1,013,566 share options and 135,750 shares options, respectively, were lapsed or forfeited. As at 31 December 2022, 2023 and 2024, 7,581,742 share options, 6,259,576 share options and 6,118,926 shares options, respectively, were outstanding.

ii. ENN Energy Share Award Scheme

Pursuant to the ENN Energy Share Award Scheme, the ENN Energy may from time to time at its absolute discretion grant shares of the ENN Energy (the "**ENN Energy Awarded Shares**") at no consideration to selected employees of any members of the ENN Energy. Vesting of the ENN Energy Awarded Shares granted is conditional upon the fulfilment of vesting conditions as specified in the grant notice issued to each grantee.

No shares had been nominally granted in Track Record Period presented. Vesting of such shares is subject to satisfying relevant performance conditions and a service condition requiring continuous service until the respective vesting dates, and can occur as early as on 1 April in the year following the financial year to which the corresponding performance conditions related. Hence, the vesting period of these shares is from the date of the grant to the respective vesting dates.

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

The following table discloses details of the ENN Energy Awarded Shares held by the grantees and movements in such holdings during the year:

	Financial year to which the performance condition related	Exercise period	Award price	Number of awarded shares			
				Outstanding at 1.1.2022	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2022
			(HK$)				
Tranche 1 to 3	2020 to 2022	1.4.2021 to 27.3.2029	76.36	837,600	(90,500)	–	747,100

	Financial year to which the performance condition related	Exercise period	Award price	Number of awarded shares			
				Outstanding at 1.1.2023	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2023
			(HK$)				
Tranche 1 to 3	2020 to 2022	1.4.2021 to 27.3.2029	76.36	747,100	(7,000)	(64,100)	676,000

	Financial year to which the performance condition related	Exercise period	Award price	Number of awarded shares			
				Outstanding at 1.1.2024	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2024
			(HK$)				
Tranche 1 to 3	2020 to 2022	1.4.2021 to 27.3.2029	76.36	676,000	–	(245,000)	431,000
Exercisable at the end of the year							431,000

The following assumptions were used to calculate the fair values of Awarded Shares as at 31 December 2022, 2023 and 2024:

	2022	2023	2024
Spot price	HK$109.60	HK$57.50	HK$55.85
Award price	HK$76.36	HK$76.36	HK$76.36
Expected life	6.24 years	5.24 years	4.24 years
Expected volatility	39.12%	39.81%	43.44%
Expected dividend yield	1.95%	2.36%	3.42%
Risk-free interest rate	3.68%	3.01%	3.40%
Early exercise behaviour	220%-280% of the award price		

In respect of the awarded shares exercised during the year ended 31 December 2022 and 2023, the weighted average share price at the dates of exercise was HK$106.24 and HK$109.56, respectively.

At the end of each annual period, the ENN Energy revises its estimates of the number of awarded shares that are expected to ultimately vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the estimates, if any, is recognised in other gains and losses as set out in Note 8, with a corresponding adjustment to the share-based payment liabilities.

44. RETIREMENT BENEFITS SCHEME

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Retirement benefits scheme contribution made during the year	610	615	641

According to the relevant laws and regulations in the PRC, the PRC subsidiaries within the Group are required to contribute a certain percentage of the payrolls of their employees to the retirement benefits scheme to fund the retirement benefits of their employees.

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") for all qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000.

45. ACQUISITION OF BUSINESS

There was no significant acquisition of business from third party during the year ended 31 December 2022, 2023 and 2024.

46. ACQUISITION OF ASSETS THROUGH ACQUISITIONS OF SUBSIDIARIES

There was no significant acquisition of assets through acquisitions of subsidiaries during the year ended 31 December 2022, 2023 and 2024.

47. DISPOSAL OF MAJOR BUSINESSES

a. There was no significant disposal of subsidiaries during the year ended 31 December 2022.

b. Disposal of subsidiaries during the year ended 31 December 2023.

(i)

Disposal date	Company disposed	Registered capital disposed	Consideration
			RMB'M
19 October 2023	Xinneng Mining Co., Ltd.	100.00%	6,670

As referred to in note 13, on 19 October 2023, the Group discontinued its coal mining operations at the time of disposal of its subsidiary. The net assets of Xinneng Mining Co., Ltd. at the date of disposal were as follows:

	RMB'M
Non-current assets	
Property, plant and equipment	3,833
Construction in progress	128
Intangible assets	3,080
Other non-current assets	9
Current assets	
Trade, other receivables and prepayment	26
Inventories	24
Cash and cash equivalents	190
Non-current liabilities	
Other payables	(1,489)
Deferred tax liabilities	(34)
Current liability	
Trade and other payables	(4,248)
Bills payable	(64)
Taxation payable	(71)
Contract liabilities	(46)
Net assets attributable to the owners of the Company disposed of	1,338

The gain on disposal of material subsidiary recognised in profit or loss was calculated as below:

	RMB'M
Cash consideration	6,670
Less: Consideration adjustments upon completion as agreed	(984)
Less: Net assets attributable to owners of the Company derecognisd	(1,338)
Gain on disposal of a subsidiary	(4,348)
Net cash inflow arising from the disposal:	
Cash consideration received	6,670
Settlement of amount due to Group	3,835
Less: Cash and cash equivalents disposed of	(190)
Net cash inflow arising from the disposal:	10,315

c. There was no significant disposal of subsidiaries during the year ended 31 December 2024.

48. COMMITMENTS

a. Capital commitments

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	820	696	562
Capital commitments in respect of			
– investments in associates and joint ventures	683	922	1,020
– other equity investments	277	2	2
	960	924	1,022

b. Other commitments

During the Track Record Period, the Group has entered into long-term sale and purchase agreements in place to acquire LNG from international suppliers. The Group is obliged to make "take-or-pay" payment to suppliers for the quantity contracted but not delivered.

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

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

49. OPERATING LEASE ARRANGEMENTS

The Group as lessor

All of the properties held have committed tenants for terms ranging from one to twenty years. Undiscounted lease payments receivable on leases are as follow:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Within one year	21	28	42
In the second year	14	16	28
In the third year	10	16	27
In the fourth year	8	14	24
In the fifth year	7	13	20
After five years	42	62	141

50. PLEDGE OF ASSETS

At the end of the Historical Financial Information, the Group pledged certain assets as securities for bank and other loans, bill facilities and contracts granted to the Group as follows:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Carrying amount of:			
Restricted bank deposits	1,134	1,191	1,325
Bill receivables	–	53	–
Financial assets at FVTPL	26	–	–
Property, plant and equipment	149	99	71
Intangible assets	261	5	41
Equity instruments at FVTOCI	–	–	11

In addition to the above, the Group has also pledged its rights to receive construction and installation and gas supply fee income of certain subsidiaries in favor of banks to secure banking facilities as at 31 December 2022, 2023 and 2024.

51. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

a. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, to maintain the confidence of creditors, to sustain future development of the entities and to maximise the return to the equity holders of the Company. The capital structure of the Group consists of net debt (borrowings disclosed in Notes 39, net of cash and cash equivalents) and total equity of the Group.

The Group manages its capital base through net gearing ratio. The Directors review the capital structure on a semi-annual basis. The Group has a target of net gearing ratio below 100% and will maintain the ratio within target by issue of new debts, repayment of debts, issue of new shares, repurchase of shares or payment of dividends. The Group's overall strategy remains unchanged from prior year. The net gearing ratio at the end of the reporting period was as follows:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Bank and other loans	21,380	20,594	18,043
Notes	14,378	12,842	12,794
	35,758	33,436	30,837
Less: Cash and cash equivalents	(10,955)	(18,776)	(15,364)
Net debt	24,803	14,660	15,473
Total equity	51,562	58,536	60,543

	2022	2023	2024
	%	%	%
Net debt to total equity ratio	48.1	25.0	25.6

b. Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are set out as follows:

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Financial assets			
Financial assets at FVTPL	4,353	4,534	4,434
Trade receivables measured at FVTOCI	917	1,028	676
Derivative financial instruments	2,897	1,539	440
Equity instruments at FVTOCI	255	226	253
Financial assets at amortised cost	25,237	31,063	26,950
Financial liabilities			
Derivative financial instruments	1,067	308	1,048
Financial liabilities at amortised cost	55,731	51,098	47,580

c. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risks, and price risk), credit risk, liquidity risk.

The Group's treasury department identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units, focusing on the unpredictability of financial markets. The Group seeks to minimise the effects of financial risks by using different derivative financial instruments to manage these exposures. All derivative financial instruments are used for the financial risk management and not for speculative purposes.

The Board provides written principal for overall risk management. The Group has written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivatives financial instruments and cash management. Exposure to foreign exchange rates, interest rates and prices risk movements are regularly reviewed and positions are amended in compliance with internal guidelines and limits.

The Group treasury department reports regularly or on demand basis to the Financial Risk Management Working Group, an independent body that monitor risks and policies implemented to mitigate risk exposures.

Foreign currency risk management

The functional currency of the Group's most entities is RMB in which most of the transactions are denominated. However, certain loans and notes issued by the Group, certain bank balances kept by the Group and certain LNG purchases from international suppliers are denominated in foreign currencies.

To mitigate the foreign exchange exposure, the Group entered into various Foreign Currency Derivatives with certain financial institutions during the Track Record Period as set out in Note 24. The management of the Group monitors foreign exchange exposure and designates certain derivatives as hedging instruments for cash flow hedges. The foreign exchange derivative contracts must be in the same currency as the hedged item. On this basis, as at 31 December 2022, 2023 and 2024, the Group has entered into such cross currency swap contracts and foreign exchange call spread contracts in relation to the foreign currency denominated monetary assets and monetary liabilities amounting to USD473 million, USD568 million and USD804 million. respectively, equivalent to RMB3,294 million, RMB4,025 million and RMB5,779 million, respectively.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	USD			HK$		
	As at December 31,			As at December 31,		
	2022	2023	2024	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Assets	4,056	6,075	6,004	70	285	192
Liabilities	18,423	13,286	11,834	–	–	–
Net foreign currencies assets/(liabilities)	(14,367)	(7,211)	(5,830)	70	285	192
Exposure has been reduced due to the offsetting effect of the Foreign Currency Derivatives.	3,294	4,025	5,779	–	–	–
Net exposure	(11,073)	(3,186)	(51)	70	285	192

In the opinion of the Directors, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure and does not reflect the exposure during the year, and some of the Group's foreign currency exposure has been reduced due to the offsetting effect of the Foreign Currency Derivatives.

Hedges of foreign currency risk

The Group designates cross currency swaps, foreign exchange forward and foreign exchange call spread contracts as hedging instruments in cash flow hedges. For cross currency swaps, the Group separates the forward and spot element of the contract and the hedged item is measured based on the spot exchange rate only. For foreign exchange forward and foreign exchange call spread contracts, the Group does not separate the forward and spot element of a contract but instead designates the contract in its entirety in a hedging relationship. Correspondingly, the hedged item is measured based on the forward exchange rate.

Foreign currency basis spread of financial instruments may be separated and excluded from the designated hedging instruments. It is the Group's policy to negotiate the terms of the hedge derivatives, to the extent possible, to match or approximate the terms of the hedged items to maximise hedge effectiveness (see Note 24 and Note 42 for details).

As at 31 December 2022, 2023 and 2024, the notional profile of hedge derivatives of USD480 million, USD773 million and USD1,551 million, respectively, are with maturity of less than 6 years.

The Company mainly hedges against the risks of repayment of principal and payment of interest of US dollar debts and purchase of natural gas arising from the fluctuation of exchange rate by such financial derivative instruments as forward, swap and option. The critical terms of the hedged item, including nominal amount and maturity date, are consistent with those of hedging instrument, so there exists an obvious economic relationship between the hedged item and hedging instrument. An obvious economic relationship exists between the hedging instrument and hedged item, and there is correlation between them. Sources of invalid portion of hedging may include change in the hedged item, change in the credit risk of the Group or counterparty, difference in maturity and payment dates and deferral of hedging option premium.

The Group applies a hedge ratio of 1:1 and determines the existence of an economic relationship between the foreign currency borrowings and Foreign Currency Derivatives based on their currency types, currency amounts and the timing of their respective cash flows.

The following table summarises the effect of the hedge accounting on financial position and performance of the Group for the reporting period:

	Average exchange rate	Notional value: USD	Notional value: RMB	Carrying amount of the hedging instruments	Hedging Losses/(gains) recognised in cash flow hedge reserve	Hedge ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI	From cash flow hedge reserve due to hedged item affecting profit or loss	Amount reclassified from cost of hedging reserve to profit or loss	Line item in profit or loss in which hedge ineffectiveness is included	Line items in profit or loss affected by the reclassification
		USD'M	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M		
2022											
Cash flow hedges											
Cross currency swaps	6.72	320	2,150	(45)	(3)	1	–	(43)	(4)	Other gains and losses	Other gains and losses & Finance costs
Call spread	–	160	–	(3)	(56)	5	(54)	(64)	6	Other gains and losses	Other gains and losses
2023											
Cash flow hedges											
Cross currency swaps	6.72	440	2.957	21	(16)	9	(6)	(12)	(8)	Other gains and losses	Other gains and losses & Finance costs
Call spread	–	160	–	11	(2)	(1)	13	(6)	5	Other gains and losses	Other gains and losses
FX forward	7.16	173	1,240	(25)	25	(1)	(1)	–	(1)	Other gains and losses	Other gains and losses
2024											
Cash flow hedges											
Cross currency swaps	6.69	820	5,488	134	(12)	13	3	5	(26)	Other gains and losses	Other gains and losses & Finance costs
Call spread	–	160	–	29	(3)	–	15	5	5	Other gains and losses	Other gains and losses
FX forward	7.12	571	4,066	95	(33)	–	–	–	–	Other gains and losses	Other gains and losses

Due to the impact on profit and loss from cross currency swaps (hedging instrument) contributable to the foreign exchange movement will be offset by that of the debt denominated in USD (hedged item), therefore no sensitivity calculation is performed.

An increase/decrease of 2.75% in forward exchange rate at the end of the years ended 31 December 2022, 2023 and 2024 would have affected profit or loss for the years by amount shown below. These amounts represent the change in fair value of foreign exchange derivative contracts at the reporting date.

	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Increase/(decrease) in profit before taxation for the year			
if RMB weakens against USD	–	–	207
if RMB strengthens against USD	–	–	(222)
Increase/(decrease) in other comprehensive income			
if RMB weakens against USD	–	39	149
if RMB strengthens against USD	–	(41)	(161)

Interest rate risk management

The Group does not have any specific interest rate hedging policy except that the Group would regularly review the market interest rates to capture the potential opportunities to reduce the cost of borrowings. Accordingly, the Group will enter into interest rate swap arrangement to mitigate the interest rate risk if appropriate.

Fair value interest rate risk

The Group's fair value interest rate risk relates primarily to amounts due to associates and joint ventures, fixed-rate bank and other loans, and notes (see Notes 32, 33, 39 and 41 for details of these amounts, loans and notes respectively).

The fair value interest rate risk on bank balance and deposits is insignificant as the terms of the fixed deposits are relatively short.

Cash flow interest rate risk

The Group's cash flow interest rate risk relates primarily to floating-rate bank loans (see Note 39 for details of these amounts). The Directors consider that the Group is not exposed to significant cash flow interest rate risk relating to bank deposits, which are primarily short-term in nature and basically carried at stable market interest rates.

The Group's sensitivity to cash flow interest rate risk has been determined based on the exposure to interest rates for the floating-rate bank loans. The analysis is prepared assuming that the amount of liabilities outstanding at the end of the reporting period was outstanding for the whole year.

	Year ended December 31,		
	2022	2023	2024
	%	%	%
Possible change in interest rate	0.5	0.5	0.5

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
(Decrease)/increase in profit after taxation for the year			
– as a result of increase in interest rate	38	30	25
– as a result of decrease in interest rate	(38)	(30)	(25)

The possible change in the interest rate does not affect the equity of the Group in Track Record Period.

Commodity price risk

In the normal course of business, the Group imports LNG to satisfy the demands of downstream customers under "take-or-pay" purchase agreements. Accordingly, the Group is exposed to fluctuations in prevalent crude oil/gas market prices, which are used for the determination of the price of LNG. This exposure is significantly managed with the use of derivative financial instruments by the Group. The profit or loss generated from these derivatives is dependent on the combination of contracts which generate payoffs in any particular range of commodity prices.

Derivative financial instruments are used solely for financial risk management purposes and the Group does not hold or issue derivative financial statements for speculation purposes. The management of the Group monitors commodity price risk exposure regularly and designates certain derivatives as cash flow hedge of highly probable purchases and sales.

The following table summarises the commodity options designated as cash flow hedges outstanding at the end of the reporting period, which expires after December 2022, 2023 and 2024, respectively, as well as the effect on financial position and performance of the Group for the reporting period. Commodity options are presented in the line "Derivative financial instruments" within the consolidated statement of financial position (see Note 24 for further details):

	Strike price Range	Remaining quantity	Carrying Amount of the hedging instruments	Hedging (gain)/losses recognised in cash flow hedge reserve	Hedge ineffectiveness recognised in profit or loss	Cost of hedging reccognised in OCI	Cumalative gain on changes in fair value from cash flow hedge reserve transferred	Line item in profit or loss in which hedge ineffectiveness is included
		Bbl	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	
2022								
Cash flow hedges								
Collar for Brent Oil	51.3-64.4	480,000	67	94	5	(4)	(44)	Other gains and losses
Swap for TTF	42.6-54	1,900,000	284	(1,417)	14	–	(1,048)	Other gains and losses
Swap for JKM	14.62-17.45	8,280,000	(170)	140	–	–	266	Other gains and losses
2023								
Cash flow hedges								
Collar for JCC	82-83.95	120,000	(2)	1	(1)	–	–	Other gains and losses
Swap for TTF	10.52-19.1	44,690,000	1,018	(1,195)	(43)	–	(493)	Other gains and losses
Swap for HH	2.315-3.87	12,330,000	(51)	56	–	–	9	Other gains and losses
Swap for JKM	12.2-18.85	1,400,000	(1)	(127)	6	–	23	Other gains and losses
Swap for NBP	17.68	250,000	7	5	(1)	–	12	Other gains and losses
2024								
Cash flow hedges								
Collar for JCC	68-90	1,410,000	(14)	–	–	(1)	–	Other gains and losses
Collar for Brent Oil	62-85	1,740,000	(8)	–	(14)	(2)	–	Other gains and losses
Swap for TTF	9.5-17.15	29,500,000	(628)	794	(8)	–	(709)	Other gains and losses
Swap for HH	3.1-3.44	6,300,000	3	100	–	–	149	Other gains and losses
Swap for NBP	17.68	250,000	4	3	–	–	–	Other gains and losses

An increase/decrease of 20% in relevant commodity prices at the end of the years ended 31 December 2022, 2023 and 2024 would have affected profit or loss for the years by amount shown below. These amounts represent the change in fair value of commodity derivative contracts at the reporting date.

	Year ended December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
(Decrease)/increase in profit before taxation for the year			
– as a result of increase in commodity price	(743)	(137)	(313)
– as a result of decrease in commodity price	747	137	271
(Decrease)/increase in other comprehensive income			
– as a result of increase in commodity price	(14)	(549)	(353)
– as a result of decrease in commodity price	13	549	339

Other price risk

The Group is mainly exposed to price risk through equity instruments measured at FVTPL and FVTOCI. The Directors do not implement specific measurements to mitigate the price risk.

If the market price of equity instruments measured at FVTPL and FVTOCI increased or decreased by 5%, the Group would recognise additional gains or losses of RMB218 million, RMB227 million and RMB222 million, respectively, for the years ended 31 December 2022, 2023 and 2024, and the OCI change of RMB13 million, RMB11 million and RMB13 million for the years ended 31 December 2022, 2023 and 2024.

Credit risk and impairment assessment

Other than those financial assets whose carrying amounts best represent the Group's maximum exposure to credit risk, the Group's maximum expose to credit risk which will cause a financial losses arises from the financial guarantee contracts provided by the Company. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with loan receivables is secured over equipment, receivables and certain entities' equities and settlement of certain receivables are backed by bills issued by reputable financial institutions.

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances based on individually assessment for significant balances and on provision matrix for the remaining.

Other receivables, amounts due from associates/joint ventures/related companies and cash and cash equivalents

In order to minimise the credit risk, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on other receivables and on amounts due from associates/joint ventures/related companies individually. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

The credit risks on cash and cash equivalents are limited because the counterparties are reputable international and PRC banks and other financial institutions with high credit ratings assigned by international credit-rating agencies regulated by the PRC government.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

Financial guarantee contracts

At the end of the reporting period, the management has performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount equal to 12-month ECL. No loss allowance was, recognised in the profit or loss.

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount		
					2022	2023	2024
					RMB'M	*RMB'M*	*RMB'M*
Financial assets at amortised cost							
Amounts due from associates*	*32*	N/A	*(Note a)*	12-month ECL	428	379	452
				Credit-impaired	13	16	17
					441	395	469
Amounts due from joint ventures*	*33*	N/A	*(Note a)*	12-month ECL	489	284	503
				Credit-impaired	2	–	25
					491	284	528
Amounts due from related companies*	*34*	N/A	*(Note a)*	12-month ECL	157	209	233
Restricted bank deposits	*30*	AA	N/A	12-month ECL	1,133	1,191	1,325
Cash and cash equivalents	*30*	AA+	N/A	12-month ECL	10,955	18,776	15,364
Other receivables	*23*	N/A	*(Note a)*	12-month ECL	3,281	1,197	1,261
				Credit-impaired	37	97	111
					3,318	1,294	1,372
Loan receivables	*23*	N/A	*(Note a)*	12-month ECL	48	50	29
Trade receivables	*23*	N/A	*(Note b)*	Lifetime ECL (provision matrix)	6,206	6,958	6,713
				Credit-impaired	150	222	216
					6,356	7,180	6,929
Bills receivables	*23*	N/A	*(Note a)*	12-month ECL	325	466	282
Contract assets	*29*	N/A	*(Note b)*	Lifetime ECL (provision matrix)	3,049	2,497	2,184
				Credit-impaired	146	130	64
					3,195	2,627	2,248

* The gross carrying amounts disclosed above include both trade nature receivables and non-trade nature receivables. All trade nature receivables are applying lifetime ECL.

Notes:

(a) For the purposes of internal credit risk management, the Group uses financial information of the counter parties to assess whether credit risk has increased significantly since initial recognition.

2022

	Past due	Not past due/ No fixed terms of repayment	Total
	RMB'M	*RMB'M*	*RMB'M*
Amounts due from associates	13	428	441
Amounts due from joint ventures	2	489	491
Amounts due from related companies	–	157	157
Other receivables	37	3,281	3,318
Loan receivables	–	48	48
Bills receivable	–	325	325

2023

	Past due	Not past due/ No fixed terms of repayment	Total
	RMB'M	*RMB'M*	*RMB'M*
Amounts due from associates	16	379	395
Amounts due from joint ventures	–	284	284
Amounts due from related companies	–	209	209
Other receivables	97	1,197	1,294
Loan receivables	–	50	50
Bills receivable	–	466	466

2024

	Past due	Not past due/ No fixed terms of repayment	Total
	RMB'M	*RMB'M*	*RMB'M*
Amounts due from associates	17	452	469
Amounts due from joint ventures	25	503	528
Amounts due from related companies	–	233	233
Other receivables	111	1,261	1,372
Loan receivables	–	29	29
Bills receivable	–	282	282

(b) For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances, the Group determines the ECL on these items by using a provision matrix, grouped by past due status.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix as at 31 December 2022, 2023 and 2024 within lifetime ECL. A full provision was made for debtors that were credit-impaired.

Net carrying amount

	As at December 31,					
	2022		2023		2024	
	Average Loss rate	Trade receivables and contract assets	Average loss rate	Trade receivables and contract assets	Average loss rate	Trade receivables and contract assets
		RMB'M		*RMB'M*		*RMB'M*
0 to 3 months	0.22%	5,776	0.30%	5,275	0.37%	3,865
4 to 6 months	6.36%	700	3.67%	1,045	4.12%	539
7 to 9 months	6.15%	543	6.13%	494	3.83%	638
10 to 12 months	9.85%	351	9.56%	239	4.52%	499
More than 1 year	14.39%	1,675	20.36%	2,191	17.49%	2,516
		9,045		9,244		8,057

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at 31 December 2022, 2023 and 2024, the Group provided RMB770 million, RMB1,097 million and RMB1,452 million, respectively, for impairment allowance for trade receivables and RMB20 million, RMB47 million and RMB75 million, respectively, impairment allowance for contract assets, based on the provision matrix. Impairment allowance of RMB144 million, RMB127 million and RMB64 million, were made for trade receivables and contract assets respectively, based on debtors that were credit-impaired.

The following table shows reconciliation of loss allowances that have been recognised for trade receivables, contract assets, bills receivable, other receivables, amounts due from associates, joint ventures, related companies.

	12-month ECL	Lifetime ECL (credit-impaired)	Total
	RMB'M	*RMB'M*	*RMB'M*
As at 1 January 2022	650	96	746
Changes due to financial instruments recognised			
– Impairment losses recognised	188	303	491
– Impairment losses reversed	(35)	(32)	(67)
– Written off	(63)	(20)	(83)
– Transfer to credit impaired	(1)	1	–
As at 31 December 2022 and 1 January 2023	739	348	1,087
Changes due to financial instruments recognised			
– Impairment losses recognised	313	111	424
– Impairment losses reversed	(1)	(16)	(17)
– Written off	(34)	(1)	(35)
– Transfer to credit impaired	(23)	23	–
– Other	(17)	–	(17)
As at 31 December 2023 and 1 January 2024	977	465	1,442
Changes due to financial instruments recognised			
– Impairment losses recognised	425	54	479
– Impairment losses reversed	(1)	(27)	(28)
– Written off	(8)	(71)	(79)
– Transfer to credit impaired	(12)	12	–
– Other	6	–	6
As at 31 December 2024	1,387	433	1,820

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier.

Liquidity risk management

To manage the liquidity risk, the Group takes into account the continuity and availability of financial resources to the Group, including the cash flows generated from its principal operations, availability of banking facilities, the level of cash and cash equivalents and capital expansion plans as to meet its expected future working capital requirements and mitigate the fluctuation in cash flows level.

The Group also relies on notes and bank and other loans as a significant source of liquidity, detail of which are set out in Notes 41 and 39. The Group reviews the utilisation of borrowings and ensures the compliance of loan covenants regularly.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are carried at floating rate, the undiscounted amount is derived from interest rate existed at the end of the reporting period.

	Repayable on demand or within one year	Within the second year	Within the third year	Within the fourth year	Within the fifth year	Over five years	Total undiscounted cash flow	Carrying amount at end of the reporting period
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
At 31 December 2022								
Non-derivative financial liabilities								
Trade and other payables	16,711	1,571	–	–	–	–	18,282	18,282
Amounts due to associates	589	–	–	–	–	–	589	589
Amounts due to joint ventures	295	–	–	–	–	–	295	295
Amounts due to related companies	389	–	–	–	–	–	389	389
Bank and other loans	9,623	3,706	2,956	1,300	1,085	3,731	22,401	21,380
Lease liabilities	125	97	73	44	34	126	499	418
Notes	495	495	495	5,767	4,056	5,635	16,943	14,378
	28,227	5,869	3,524	7,111	5,175	9,492	59,398	55,731
Derivatives: Foreign currency	–	–	–	3	45	–	48	
Derivatives: Commodity	1,019	–	–	–	–	–	1,019	

	Repayable on demand or within one year	Within the second year	Within the third year	Within the fourth year	Within the fifth year	Over five years	Total undiscounted cash flow	Carrying amount at end of the reporting period
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
At 31 December 2023								
Non-derivative financial liabilities								
Trade and other payables	14,646	957	–	–	–	–	15,603	15,603
Amounts due to associates	870	–	–	–	–	–	870	870
Amounts due to joint ventures	223	–	–	–	–	–	223	223
Amounts due to related companies	492	–	–	–	–	–	492	492
Bank and other loans	12,106	2,681	3,325	810	773	1,622	21,317	20,594
Lease liabilities	149	119	71	50	38	193	620	496
Notes	453	453	5,428	4,088	102	4,100	14,624	12,842
	28,939	4,210	8,824	4,948	913	5,915	53,749	51,120
Derivatives: Foreign currency	25	–	–	6	–	–	31	
Derivatives: Commodity	269	8	–	–	–	–	277	

	Repayable on demand or within one year	Within the second year	Within the third year	Within the fourth year	Within the fifth year	Over five years	Total undiscounted cash flow	Carrying amount at end of the reporting period
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
At 31 December 2024								
Non-derivative financial liabilities								
Trade and other payables	13,900	814	–	–	–	–	14,714	14,714
Amounts due to associates	621	–	–	–	–	–	621	621
Amounts due to joint ventures	288	–	–	–	–	–	288	288
Amounts due to related companies	538	–	–	–	–	–	538	538
Bank and other loans	10,683	3,855	1,627	505	456	1,411	18,537	18,043
Lease liabilities	200	150	107	46	34	165	702	582
Notes	449	4,883	5,158	87	87	3,385	14,049	12,794
	26,679	9,702	6,892	638	577	4,961	49,449	47,580
Derivatives: Commodity	940	108	–	–	–	–	1,048	

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

d. Fair value measurement of financial instruments

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

The Group measures its following financial instruments at fair value at the end of the reporting period on a recurring basis:

	As at December 31,			Fair value hierarchy	Valuation technique and key input
	2022	2023	2024		
Financial assets					
Derivative financial instruments	2,897	1,539	440	Level 2	Discounted cash flow for swaps and forwards Present value of estimated future cash flows are based on forward rate, and contract rates, discounted at a rate that reflects the credit risk of the relevant counterparty or own credit risk, when applicable Black-Scholes Model for options Fair value estimated based on strike price, commodity price, time to expiration, volatility and risk-free interest rate
Listed equity securities, equity	134	148	260	Level 1	Fair values are derived from quoted Bid prices in an active market
Unlisted wealth management products	26	200	–	Level 3	Discounted cash flow Future cash flows are estimated based on the recoverable amount expected, discounted at a rate that reflects the credit risk of the counterparty
1.13% equity interest in Sinopec Marketing	4,170	4,170	4,170	Level 3	Fair value estimated based on P/E ratio of comparable listed companies and a liquidity discount rate
Other unlisted equity securities – FVTPL	23	16	4	Level 3	Fair value are derived from price multiples of similar assets that have been traded in the market
Unlisted equity securities – FVTOCI	168	146	172	Level 3	Fair value are derived from fair value of the underlying assets and liabilities held by the investee
Listed equity securities – FVTOCI	87	80	81	Level 1	Fair value are derived from quoted bid prices in an active market
Trade receivables measured at FVTOCI	917	1,028	676	Level 2	Discounted cash flow
Financial liabilities					
Derivative financial instruments	1,067	308	1,048	Level 2	Discounted cash flow for swaps and forwards Present value of estimated future cash flows are based on forward rates and contract rates, discounted at a rate that reflects the credit risk of the relevant counterparty or own credit risk, when applicable Black-Scholes Model for options Fair value estimated based on strike price, commodity price, time to expiration, volatility and risk-free interest rate

The Group's 1.13% equity interest in Sinopec Marketing which is classified as financial assets at FVTPL under Level 3 hierarchy amounted to RMB4,170 million as at 31 December 2022, 2023 and 2024 under HKFRS 9. The significant unobservable input is the liquidity discount rate. The higher liquidity discount rate, the lower fair value of the financial assets at fair value will be. A 5% increase/decrease in the liquidity discount rate, holding all other variables constant, the fair value of the investments would decrease/increase by RMB209 million as at 31 December 2022, 2023 and 2024.

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

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

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

	As at December 31,					
	2022		2023		2024	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
Bank and other loans						
– fixed rate	11,354	11,719	12,604	12,872	11,277	11,408
Notes	14,378	12,652	12,842	11,975	12,794	12,355

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

52. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities	Bank and other loans	Notes	Others	Total
	RMB'M *(Note 38)*	*RMB'M* *(Note 39)*	*RMB'M* *(Note 41)*	*RMB'M* *(Note)*	*RMB'M*
At 1 January 2022	415	18,551	15,653	280	34,899
Financing cash flows	(148)	1,409	(3,117)	(3,360)	(5,216)
Foreign exchange translation	–	528	1,316	–	1,844
New leases entered	148	–	–	–	148
Dividends paid to shareholders	–	–	–	873	873
Dividends paid to non-controlling Shareholders	–	–	–	2,617	2,617
Interest expense	22	929	540	–	1,491
Other movement	(19)	(37)	(14)	(43)	(113)
At 31 December 2022	418	21,380	14,378	367	36,543

	Lease liabilities	Bank and other loans	Notes	Others	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
	(Note 38)	*(Note 39)*	*(Note 41)*	*(Note)*	
At 1 January 2023	418	21,380	14,378	367	36,543
Financing cash flows	(85)	(724)	(2,038)	(4,509)	(7,356)
Foreign exchange translation	–	14	266	–	280
New leases entered	166	–	–	–	166
Dividends paid to shareholders	–	–	–	1,577	1,577
Dividends paid to non-controlling shareholders	–	–	–	3,033	3,033
Interest expense	22	933	577	–	1,532
Other movement	(25)	(1,009)	(341)	(20)	(1,395)
At 31 December 2023	496	20,594	12,842	448	34,380

	Lease liabilities	Bank and other loans	Notes	Others	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
	(Note 38)	*(Note 39)*	*(Note 41)*	*(Note)*	
At 1 January 2024	496	20,594	12,842	448	34,380
Financing cash flows	(171)	(3,087)	(614)	(5,812)	(9,684)
Foreign exchange translation	–	–	171	–	171
New leases entered	245	–	–	–	245
Dividends paid to shareholders	–	–	–	2,805	2,805
Dividends paid to non-controlling shareholders	–	–	–	2,749	2,749
Interest expense	25	763	496	–	1,284
Other movement	(13)	(227)	(101)	65	(276)
At 31 December 2024	582	18,043	12,794	255	31,674

Note: The amounts include the interest payables, non-trade payable due to joint ventures and associates.

53. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in the Historical Financial Information, the Group had the following transactions with certain related parties:

	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Nature of transaction			
Associates:			
– Provision of technology and comprehensive services to	37	26	29
– Provision of design, construction services and sales of materials and supplies to	103	181	174
– Sales of gas and other goods to	2,406	2,724	2,480
– Provision of technology and comprehensive services from	93	54	42
– Purchase of equipment, materials, and natural gas from	1,262	2,179	1,436
– Lease of premises and equipment to	–	1	–
– Expense relating to short-term lease and others	–	1	1
Joint ventures:			
– Provision of technology and comprehensive services to	4	6	8
– Provision of design, construction service and sales of materials and supplies to	111	51	129
– Sales of gas and other goods to	828	1,163	913
– Provision of engineering construction service from	8	16	3
– Provision of technology and comprehensive services from	57	107	138
– Purchase of equipment, materials, and natural gas from	3,065	2,072	1,748
– Lease premises and equipment to	2	4	4
– Sales of equipment to	298	–	–
Companies controlled by Mr. Wang:			
– Provision of technology and comprehensive services to	181	142	216
– Provision of design, construction service and sales of materials and supplies to	64	42	49
– Sales of gas and other goods to	25	30	32
– Provision of engineering construction service from	12	17	30
– Provision of technology and comprehensive services from	503	472	484
– Purchase of equipment, materials, and natural gas from	48	100	184
– Lease premises and equipment to	4	26	5
– Lease premises and equipment from	5	2	2
– Expense relating to short-term lease and others	3	8	8
– Purchase of equity by cash from	4,337	–	42
– Purchase of equity by issue of shares from	4,275	–	–
– Paid custody fees to	55	54	14
– Interest income from	–	3	3

	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Companies significant influence by Mr. Wang:			
– Lease premises and equipment from	6	–	–
Companies significant influence by the son of Mr. Wang:			
– Provision of technology and comprehensive services from	–	6	11
– Purchase of equipment, materials, and natural gas from	80	82	66
Companies significant influence by a director of the Company:			
– Provision of technology and comprehensive services from	2	–	–

During the year ended 31 December 2023, the Group entered lease agreement for use of premises and equipment with associate, joint ventures, companies controlled by Mr. Wang. Except for short-terms leases and low value leases which the Group applied recognition exemption, the Group has recognised an addition of right-of-use assets and lease liabilities of approximately RMB1 million and RMB1 million respectively in respect with lease agreement with joint venture.

During the year ended 31 December 2024, the Group entered lease agreement for use of premises and equipment with associate, joint ventures, companies controlled by Mr. Wang. Except for short-terms leases and low value leases which the Group applied recognition exemption, the Group has recognised an addition of right-of-use assets and lease liabilities of approximately RMB5 million and RMB5 million respectively in respect with lease agreement with companies controlled by Mr. Wang.

54. PARTICULAR OF PRINCIPAL SUBSIDIARIES

The Group

Name of company	Place of Incorporation/ establishment	Issued and fully paid share capital/ registered capital	Proportion of ownership interest/voting power held by the Group			Principal activities
			2022	2023	2024	
Directly hold						
ENN (Tianjin) Energy Investment Co., Ltd.	PRC	RMB5,000 million	100.00%	100.00%	100.00%	Investment holding
Indirectly hold						
ENN Energy Holdings Limited ("**ENN Energy**")	Cayman Islands	HKD300 million	32.64%	33.98%	34.28%	Investment holding
ENN (China) Gas Investment Limited ("**ENN China**")	PRC	USD432 million	32.64%	33.98%	34.28%	Investment holding

ENN Energy and ENN China are subsidiaries of the Group although the Group has only 32.64%, 33.98% and 34.28% of ownership interest and voting rights during the years ended 31 December 2022, 2023, and 2024. ENN Energy is listed on the stock exchange of Hong Kong and ENN China is wholly-owned subsidiary of ENN Energy.

The directors of the Company assessed whether the Group has control over ENN Energy and ENN China based on whether the Group has the practical ability to direct the relevant activities of ENN Energy and ENN China unilaterally. In making the judgement, the directors of the Company considered the Group's absolute size of holding in ENN Energy and ENN China and the relative size of and dispersion of the shareholdings owned by the other shareholders. After assessment, the directors of the Company concluded that the Group has sufficiently dominant voting interest to direct the relevant activities of ENN Energy and ENN China and therefore the Group has control over ENN Energy and ENN China.

All of the above subsidiaries operate principally in the places of their incorporation/establishment respectively, except that ENN Energy Group operates principally in PRC. The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or net assets of the Group. Giving the details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

ENN Energy issued debt securities as at 31 December 2022, 2023 and 2024 (see note 41).

The statutory consolidated financial statements of ENN Energy Group for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and audited by Deloitte Touche Tohmatsu.

ENN (Tianjin) Energy Investment Co., Ltd is wholly-owned enterprises established in the PRC. The statutory financial statements for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises applicable to the enterprises in the PRC ("**ASBE**") and audited by Zhongxi CPAs (Special General Partnership).

The Company

	As at December 31,		
	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Investment in subsidiaries	13,670	11,127	11,127
Amounts due from subsidiaries – non-current *(note)*	–	514	527
Amount due from subsidiaries – current *(note)*	8,232	11,060	13,909
Amount due to subsidiaries – current *(note)*	6,104	5,281	5,893
Amounts due to subsidiaries – non-current *(note)*	4,805	3,169	2,486

Note:

The amount due from/(to) subsidiaries are unsecured, interest-free and have no fixed terms of repayments. The amounts which are not expected to be settled/recover within twelve months at the end of the reporting date are classified as non-current.

55. RESERVES OF THE COMPANY

	Share capital	Treasury shares	Share premium	Share option payment reserve	Revaluation reserve	Surplus reserve fund	Retained earnings	Total
	RMB'M	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*	*RMB'M*
At 1 January 2022	2,846	(125)	286	69	(11)	425	2,023	5,513
Profit and total comprehensive income for the year	–	–	–	–	–	–	1,070	1,070
Disposal of investment in equity instruments at FVTOCI	–	–	–	–	11	–	(11)	–
Issue of shares	253	–	4,022	–	–	–	–	4,275
Repurchase of shares	–	(101)	–	–	–	–	–	(101)
Release of share under share-based payment	–	34	45	(45)	–	–	–	34
Recognition of equity-settled share-based payment	–	–	–	62	–	–	–	62
Transfer to surplus reserve fund	–	–	–	–	–	107	(107)	–
Dividends appropriation	–	–	–	–	–	–	(873)	(873)
At 31 December 2022 and 1 January 2023	3,099	(192)	4,353	86	–	532	2,102	9,980
Profit and total comprehensive income for the year	–	–	–	–	–	–	4,862	4,862
Cancellation of shares	(1)	2	(1)	–	–	–	–	–
Release of share under share-based payment	–	32	43	(42)	–	–	–	33
Recognition of equity-settled share-based payment	–	–	–	23	–	–	–	23
Transfer to surplus reserve fund	–	–	–	–	–	486	(486)	–
Dividends appropriation	–	–	–	–	–	–	(1,577)	(1,577)
At 31 December 2023 and 1 January 2024	3,098	(158)	4,395	67	–	1,018	4,901	13,321
Profit and total comprehensive income for the year	–	–	–	–	–	–	2,599	2,599
Repurchase and cancellation of shares, net	(1)	(352)	(7)	–	–	–	–	(360)
Release of share under share-based payment	–	28	42	(41)	–	–	–	29
Recognition of equity-settled share-based payment	–	–	–	12	–	–	–	12
Transfer to surplus reserve fund	–	–	–	–	–	260	(260)	–
Dividends appropriation	–	–	–	–	–	–	(2,805)	(2,805)
At 31 December 2024	3,097	(482)	4,430	38	–	1,278	4,435	12,796

56. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name Of Subsidiary	Place of incorporation and principal place of business	Proportion of ownership, interests and voting rights held by non-controlling interests			Profit allocated to non-controlling interests			Accumulated non-controlling interests		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
		%	%	%	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M	RMB'M
ENN China . . .	PRC	67.36	66.02	65.72	3,843	4,014	4,708	31,738	32,056	34,310

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	As at December 31,		
	2022	2023	2024
	RMB'M	RMB'M	RMB'M
Current assets	28,487	28,268	28,877
Non-current assets	60,816	59,792	62,160
Current liabilities	33,446	31,040	30,321
Non-current liabilities	12,756	12,403	12,904
Equity attributable to owners of the Company	11,363	12,561	13,502
Non-controlling interests of ENN China	23,448	24,406	25,882
Non-controlling interests of ENN China's subsidiaries	8,290	7,650	8,428

	2022	2023	2024
	RMB'M	*RMB'M*	*RMB'M*
Revenue	109,002	111,513	106,959
Expenses	(103,732)	(106,070)	(100,529)
Profit for the year			
Profit attributable to owners of the Company	1,427	1,429	1,722
Profit attributable to the non-controlling interests of ENN China	2,945	2,776	3,302
Profit attributable to the non-controlling interests of ENN China's subsidiaries	898	1,238	1,406
Profit for the year	5,270	5,443	6,430
Other comprehensive income for the year			
Other comprehensive income attributable to owners of the Company	14	8	1
Other comprehensive income attributable to the non-controlling interests of ENN China	30	16	2
Other comprehensive income for the year	44	24	3
Total comprehensive income for the year			
Total comprehensive income attributable to owners of the Company	1,441	1,437	1,723
Total comprehensive income attributable to the non-controlling interests of ENN China	2,975	2,792	3,303
Total comprehensive income attributable to the non-controlling interests of ENN China's subsidiaries	898	1,238	1,407
Total comprehensive income for the year	5,314	5,467	6,433
Net cash inflow from operating activities	8,320	8,511	10,406
Net cash outflow from investing activities	(4,934)	(5,328)	(4,581)
Net cash outflow from investing activities	(3,725)	(2,988)	(6,938)
Net cash (outflow)/inflow	(339)	195	(1,113)
Dividend paid non-controlling interest of ENN China	3,003	1,310	1,732

57. EVENT AFTER REPORTING PERIOD

Save as disclosed elsewhere the Company has no other significant event after the reporting period that needs to be disclosed.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to [●] [**REDACTED**].

The following is the text of a report, prepared for inclusion in this Document, received from the independent reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

The **[REDACTED]** *financial information should be read in conjunction with the section headed "Financial Information" to this Document and the Accountants' Report set out in Appendix I to this Document.*

A. [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE ENN-NG GROUP ATTRIBUTABLE TO OWNERS OF THE ENN-NG

The [**REDACTED**] of the Enlarged ENN-NG Group attributable to owners of ENN-NG is prepared by the directors of the ENN-NG in accordance with Rule 4.29 of the Listing Rules for illustrative purposes only, and is set out below to illustrate the [**REDACTED**] the [**REDACTED**], Privatisation Proposal and the Share Option Cancellation on the consolidated net tangible assets of the Enlarged ENN-NG Group attributable to owners of the Enlarged ENN-NG as at 31 December 2024 if the [**REDACTED**], Privatisation Proposal and the Share Option Cancellation had taken place on 31 December 2024.

The [**REDACTED**] of the ENN-NG Group attributable to owners of the ENN-NG is prepared for illustrative purpose only, and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the ENN-NG Group attributable to owners of the ENN-NG as at 31 December 2024 or at any future dates following the [**REDACTED**], Privatisation Proposal and the Share Option Cancellation.

In order to prepare the [**REDACTED**] financial information, the Group assumes that (i) all ENN Energy Share Options are not exercised, which the ENN Energy Share Options Offer are accepted in full by all holders of the ENN Energy Share Options, and (ii) there will be no other change in the number of ENN Energy Shares in issue prior to the Scheme Record Date.

The [**REDACTED**] of the ENN-NG Group attributable to owners of ENN-NG is prepared based on the audited consolidated net tangible assets of the ENN-NG Group attributable to owners of ENN-NG as at 31 December 2024 as shown in Accountants' Report as set out in Appendix I to the [**REDACTED**] Document and adjusted as described below.

Audited consolidated net tangible assets of the ENN-NG Group attributable to owners of ENN-NG as at 31 December 2024	**[REDACTED] the [REDACTED], Privatisation Proposal**	**[REDACTED] the Share Option Cancellation**	**Finance costs related to the borrowings**	**[REDACTED] attributable to the owners of ENN-NG**
RMB' million	*RMB' million*	*RMB' million*	*RMB' million*	*RMB' million*
(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
17,401	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The audited consolidated net tangible assets of the ENN-NG Group attributable to owners of ENN-NG as at 31 December 2024 has been extracted by the directors of ENN-NG from ENN-NG Group's financial statements for the year ended 31 December 2024, on which an audit report has been issued, and is based on the audited consolidated net assets of the ENN-NG Group as at 31 December 2024 of RMB60,543 million adjusted for intangible assets including goodwill and other intangible assets as at 31 December 2024 of RMB6,066 million and non-controlling interests of RMB37,076 million.

(2) The adjustment represents the decrease in non-controlling interest in ENN-NG Group assuming on the basis of such number of Scheme Shares and the Cancellation Consideration and assuming the ENN Energy Share Option Offer is accepted in full, upon the fulfillment of the Pre-Conditions and fulfillment or waiver of the Conditions and the Scheme becoming effective. Upon the [**REDACTED**] of the [**REDACTED**], Privatisation Proposal and the Share Option Cancellation, there will be a corresponding increase in equity attributable to the owner of the Company.

(3) The adjustment represents the amount of cash outflow and the fair value gain related to the cancellation of the share-based payment of ENN Energy upon [**REDACTED**] of the [**REDACTED**], Privatization Proposal and the Share Option Cancellation.

(4) The adjustment represents the finance costs of the borrowings related to the [**REDACTED**], Privatisation Proposal and the Share Option Cancellation.

(5) No adjustment has been made to the [**REDACTED**] of the ENN-NG Group attributable to owners of ENN-NG as at 31 December 2024 to reflect any trading results or other transactions of the ENN-NG Group entered into subsequent to 31 December 2024.

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

TAXATION IN THE PRC

PRC Taxation of Securities Holders

The income tax and capital gains tax applicable to the holders of H Shares shall be determined in accordance with the laws and practices of both mainland China and the jurisdiction where the holders of H Shares are resident or otherwise subject to taxation. It is summarised below. This summary does not purport to address all material tax consequences of the ownership of H Shares, and does not take into account the specific circumstances of any particular investor, some of which may be subject to special provisions. This summary is based on the taxation laws of the PRC in effect as at the Latest Practicable Date, all of which are subject to change (or changes in interpretation), possibly with retroactive effect.

This appendix does not address any other aspect other than income tax, capital tax, value-added tax, stamp duty and estate duty. Prospective investors are advised to consult their tax advisors regarding the PRC and other tax consequences of investment in H Shares.

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of PRC (《中華人民共和國個人所得稅法》)(the "**IIT Law**") latest amended on August 31, 2018 and implemented on January 1, 2019, and the Regulations on Implementation of the Law of PRC on Individual Income Tax (《中華人民共和國個人所得稅法實施條例》) (the "**Implementation Rules on the IIT Law**") (hereinafter collectively referred to as the "**IIT Law and its implementation rules**") latest amended on December 18, 2018 and implemented on January 1, 2019, interest, dividends and bonus paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the MOF, the SAT and the CSRC on September 7, 2015 and implemented on September 8, 2015, with certain provisions of which were amended on July 1, 2019, for individuals who acquire listed company shares through a public offering or the stock market, dividends and bonuses are temporarily exempt from individual income tax if the shares are held for more than one year. For individuals who acquire listed company shares through a public offering or the stock market, if the shares are held for no more than one month, the full amount of dividends and bonuses is included in taxable income. For individuals holding shares for more than one month but not exceeding one year, the dividends and bonuses are temporarily taxed at 50% of the taxable amount.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), executed on August 21, 2006 and effective on December 8, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》第五議定書) ("**the Fifth Protocol**"), effective on December 6, 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

Pursuant to the EIT Law latest amended on December 29, 2018 and enforced on the same day and the Implementation Rules on the EIT Law latest amended on December 6, 2024 and enforced on January 20, 2025 (hereinafter collectively referred to as the "**EIT Law and its implementation rules**"), all resident enterprises in the PRC (including foreign-invested enterprises) are subject to a uniform enterprise income tax rate of 25%. A non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise which has issued shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

According to the Notice on the Issues Concerning Withholding Enterprise Income Tax on the Dividends Payable by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise H Share Holders (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued on November 6, 2008, a PRC resident enterprise must withhold enterprise income tax at a unified rate of 10% on dividends paid to overseas non-PRC resident enterprise holders of H Shares for 2008 and afterwards. Pursuant to the Specification of Arrangements the Mainland of China Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income Order (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

In accordance with the Measures for Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Treaties (《非居民納稅人享受協議待遇管理辦法》) which was promulgated on October 14, 2019, and came into effect on January 1, 2020, if non-resident taxpayers consider they are eligible for treatments under the tax treaties through self-assessment, they may, at the time of filing tax returns or making withholding tax filings through withholding agents, enjoy the treatments under the tax treaties, and shall concurrently collect and retain the relevant documents for inspection according to relevant regulations, and accept tax authorities' post-filing administration.

Taxation on Share Transfer

Individual Investors

Pursuant to the Individual Income Tax Law and its implementing regulations, gains realized on the sale of equity interests in a PRC resident enterprise are subject to individual income tax at a rate of 20%.

Pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued in March 30, 1998, from January 1, 1997 onwards, gains of individuals from the transfer of shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, the above provisions did not clearly provide for whether individual income tax would be levied on non-PRC resident individuals transferring shares of PRC resident enterprises listed on overseas stock exchanges. To the best of knowledge of the Company, the PRC tax authorities do not in practice levy income tax on income from non-PRC resident individuals transferring shares of PRC resident enterprises listed on overseas stock exchanges. However, there is no assurance that the PRC tax authorities will not change such practices, resulting in income tax levied on gains from the sale of H shares by non-PRC resident individuals.

Enterprise Investors

Pursuant to the EIT Law and its implementing regulations, non-resident enterprises that do not have an establishment or a premise in the PRC or have an establishment or a premise in the PRC but their PRC-sourced income is not effectively connected with the abovementioned establishments or premises are generally subject to an EIT rate of 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise. The abovementioned income tax for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when every such payment is made or due. Such tax may be reduced or exempted under relevant tax treaties or agreements to avoid double taxation.

Shanghai-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on October 31, 2014 and effective on November 17, 2014, transfer spread proceeds derived by enterprises in mainland China from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in mainland China from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of individual investors in mainland China to the H-share companies and withhold individual income tax at the rate of 20% on behalf of the H-share companies. Pursuant to the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Inter-connected Mechanisms for Trading on the Shanghai and Hong Kong Stock Markets and for Trading on the Shenzhen and Hong Kong Stock Markets and on the Mutual Recognition of Funds between the Mainland and Hong Kong (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the SAT and the CSRC on December 4, 2019 and effective on December 5, 2019, and the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the SAT and the CSRC on August 21, 2023 and effective on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. Pursuant to which, dividend income obtained by resident enterprises in mainland China from holding H shares for more than 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.

Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on November 5, 2016 and effective on December 5, 2016, transfer spread income derived by enterprise investors in mainland China from stock investment listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in mainland

China from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of individual investors in mainland China to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors. Pursuant to the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Inter-connected Mechanisms for Trading on the Shanghai and Hong Kong Stock Markets and for Trading on the Shenzhen and Hong Kong Stock Markets and on the Mutual Recognition of Funds between the Mainland and Hong Kong (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the SAT and the CSRC on December 4, 2019 and effective on December 5, 2019, and the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated on August 21, 2023 and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027. Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. In particular, dividends and bonus income obtained by resident enterprises in mainland China from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.

Stamp Duty

Pursuant to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) promulgated on June 10, 2021 and implemented on July 1, 2022, the PRC stamp duty applies to entities and individuals that conclude taxable documents and conduct securities transactions within the PRC and entities and individuals that conclude taxable certificates outside the PRC for use within the PRC. Therefore, such stamp duty levied on the transfer of shares of the PRC listed companies does not apply to non-PRC investors buying and selling H shares outside the PRC.

Estate Tax

No estate duty is currently levied in the PRC.

MAJOR TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law and its implementing regulations, the tax rate of 25% will be applied to the income related to all PRC enterprises, foreign-invested enterprises and foreign enterprises which have established production and operation facilities in the PRC. These enterprises are classified into as either resident enterprises or non-resident enterprises. Enterprises which are established in accordance with the law of the foreign country or region, but whose actual administration institutions (referring to the institutions conducting substantive and all-around management and control over the enterprises production, operation, personnel, accounting matters, finance, etc.) are in PRC, are deemed as resident enterprise. The tax rate of 25% applies to their income originating from both inside and outside PRC.

According to the EIT Law and its implementing regulations, enterprises are classified as resident enterprises and non-resident enterprises. For non-resident enterprises that either have no establishments or premises in mainland China, or have establishments or premises but the income derived is not effectively connected with such establishments or premises, they shall pay enterprise income tax on their income sourced from mainland China. Where the payer is the withholding agent, the enterprise income tax shall be withheld and paid at the source within mainland China. The withholding agent shall withhold and pay the tax on each payment or due amount. Additionally, any gains realized by such investors from the transfer of shares shall be subject to enterprise income tax. If such gains are deemed to be derived from the transfer of property in mainland China, they shall be subject to withholding at the source.

Value-added Tax

Pursuant to the Notice of the MOF and the SAT on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (Cai Shui [2016] No. 36) (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》財稅[2016]36號) which was issued on March 23, 2016 and enforced on May 1, 2016, with the approval of the State Council, the pilot program of replacing business tax with value-added tax shall be implemented nationwide effective from May 1, 2016 and all business tax payers in construction industry, real estate industry, finance industry and consumer service industry, etc. shall be included in the scope of the pilot program and pay value-added tax instead of business tax.

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) latest amended on November 19, 2017 and implemented on the same day, all enterprises and individuals that engage in the sale of goods, provision of services, leasing of tangible movable property, or importation of goods shall be subject to value-added tax (VAT). The VAT tax rate of 17% is generally applicable to the taxpayers selling or importing goods unless the context otherwise requires. Pursuant to the Notice of the MOF and the SAT on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) effective on May 1, 2018, for taxpayers engaging in taxable sales or import of goods, the previously applicable VAT rates of 17% and 11% are adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) effective on April 1, 2019, for general taxpayers engaging in taxable sales or import of goods, the previously applicable VAT rates of 16% and 10% are adjusted to 13% and 9%, respectively. On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值稅法》), which will come into effective on January 1, 2026, and replace the Provisional Regulations on Value-added Tax of the PRC.

FOREIGN EXCHANGE CONTROLS OF THE PRC

The lawful currency of the PRC is Renminbi. The SAFE is authorised by the People's Bank of China to manage all foreign exchange-related matters, including the enforcement of foreign exchange regulations. According to the Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》) as most recently amended on August 5, 2008 and effective on the same date, all international payments and transfers are classified into current items and capital items, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the SAFE or its designated bank is obtained.

In addition, the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) issued and implemented by the SAFE on December 26, 2014, pursuant to which a domestic company shall, within 15 business days of the end of its offering overseas, present with certain materials and register the overseas listing with the SAFE's local branch at the place of its incorporation. Upon verification that the aforesaid materials are free of error, the SAFE's local branch shall process registration for the domestic company in the capital project information system, then the domestic company shall present this registration certificate to complete account opening and the relevant formalities for its overseas listing. The proceeds from an overseas listing may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

Pursuant to the Notice of the SAFE on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (Hui Fa [2015] No. 13) (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》(匯發[2015]13號)) (the "**Document No. 13**") (partially amended in December 2019) issued on February 13, 2015 and effective on June 1, 2015, the foreign exchange registration approval under the PRC direct investment and the foreign exchange registration approval under the oversea direct investment were abolished and replaced by direct approval by the bank on such foreign exchange registrations. Such registrations were indirectly supervised by the SAFE and its branches through the banks. According to the Document No. 13, overseas enterprises established or controlled by domestic investment bodies are not subject to foreign exchange filing procedures for the overseas investment on establishments or control of new overseas enterprises.

According to the Notice of the SAFE on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange Settlement (Hui Fa [2016] No. 16) (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》(匯發 [2016]16號)) (the "**Document No. 16**") issued and enforced by the SAFE on June 9, 2016, willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange willingness settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

HONG KONG TAXATION

Taxation on Dividends

No tax is payable in Hong Kong in respect of dividends paid by our Company.

Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or other disposal of the Shares. Shareholders should take advice from their own professional advisors as to their particular tax position.

Stamp Duty

Hong Kong stamp duty will be charged on the sale and purchase of Shares at the current rate of 0.2% of the consideration for, or (if greater) the value of, the Shares being sold or purchased, whether or not the sale or purchase is on or off the Hong Kong Stock Exchange. The Shareholder selling the Shares and the purchaser will each be liable for one-half of the amount of Hong Kong stamp duty payable upon such transfer. In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of Shares.

Estate Duty

Hong Kong estate duty was abolished effective from February 11, 2006. No Hong Kong estate duty is payable by Shareholders in relation to the Shares owned by them upon death.

This Appendix contains a summary of laws and regulations on companies and securities in the PRC. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulations relevant to the Company's operations and business. This summary is with no intention to include all the information which may be important to the potential investors. For discussion of laws and regulations specifically governing the business of our Company, please refer to "Regulatory Overview" in this Document.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 Amendment) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the National Audit Office as well as the organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural construction and management, environmental protection, and historical culture protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by the Standing Committee of the NPC but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organisation of the People's Courts (2018 Revision) (《中華人民共和國人民法院組織法(2018修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and other special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial organ in the PRC. It supervises the judicial administration of the people's courts at all levels. The people's courts employ a two-instance trial system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts become final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the president of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

In accordance with the Constitution and the Organic Law of the People's Procuratorates of the PRC (《中華人民共和國人民檢察院組織法》) latest revised by the Standing Committee of the NPC on October 26, 2018, which came into effect on January 1, 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The PRC Civil Procedure Law (2023 Amendment) (《中華人民共和國民事訴訟法(2023修正)》) (the "**Civil Procedure Law**"), which was adopted in 1991 and latest amended in 2023, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the principle of reciprocity with respect to the civil litigation rights of the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgement or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgement made by the court within the stipulated time, the court will, upon application by either party, enforce the judgement in accordance with the law.

A party seeking to enforce a judgement or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgement or ruling. "'If a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by the people's court, the party concerned may directly apply for recognition and enforcement to the intermediate people's court with jurisdiction. Alternatively, the foreign court may, pursuant to the provisions of an international treaty concluded between or acceded to by the foreign state or region and the PRC or in accordance with the principle of reciprocity, request the people's court to recognize and enforce the judgment or ruling.

PRC COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively and the latest amendment of which was implemented on July 1, 2024;

- The Overseas Listing Trial Measures and its explanatory guidelines which were promulgated by the CSRC on February 17, 2023 pursuant to the Securities Law, came into effect on March 31, 2023, and were applicable to the direct and indirect overseas share offering and listing of domestic companies; and

- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**") which was latest amended and came into effect on March 28, 2025 by the CSRC. The domestic companies that directly offer and list securities on overseas markets, shall formulate their articles of association making reference to the Guidelines for Articles of Association.

General

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its debts for an amount equal to the total value of its assets. A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Where any law provides that a joint stock limited company shall not become a capital contributor that shall bear joint and several liabilities for the debts of the invested companies, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers holding a majority of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the supervisory committee (except where the law does not require the establishment of a supervisory committee) of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must authorize a representative to apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

Where a promoter fails to make capital contribution in accordance with the shares subscribed for by it or where the actual value of the non-monetary assets contributed as capital is significantly less than the shares subscribed for by it, the other promoters shall be jointly and severally liable for the shortfall in the capital contribution.

Share Capital

The promoters of a company can make capital contributions in cash or non-monetary assets, which can be valued in currency and transferable according to law such as physical property, intellectual property rights, land use rights, equity interests, and creditor's rights, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations.

If capital contribution is made other than in cash, valuation and verification of the assets contributed must be carried out and converted into shares.

The shares issued by a company shall be registered shares.

The Overseas Listing Trial Measures provides that domestic companies conducting overseas offerings may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic companies but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall report to the company their holdings of the company's shares and the changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during their term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date.

No changes to the register of shareholders shall be made within 20 days prior to the convening of a shareholders' general meeting or within five days prior to the record date set for the purpose of distribution of dividends. Where laws, administrative regulations or the securities regulatory authorities under the State Council have other provisions on changes to the register of shareholders of a listed company, such provisions shall prevail.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The issue price may be at par value or at a premium, but shall not below par value.

Domestic companies conducting an overseas offering and listing shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials to truthfully, accurately and completely explain shareholder information and other information. Where a domestic company proceeds a direct overseas issuance or listing, the issuer shall file with the CSRC. Where a domestic company proceeds an indirect overseas issuance and listing, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Registered Shares

Under the PRC Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with such valuated non-monetary assets as physical property, intellectual property rights, land-use rights, equity interests, and creditor's rights that may be valued in monetary term and may be transferred in accordance with the law. Under the PRC Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the class and number of shares subscribed by each shareholder;
- the serial numbers of the share certificate, if issued in paper form; and
- the date on which each shareholder acquired the shares.

Increase of Share Capital

According to the PRC Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. In the case of the issuance of shares without par value, more than half of the proceeds from the new share issuance shall be allocated to the registered capital.

When a company offers shares to the public, it shall be registered with the securities regulatory authority under the State Council and publish a prospectus. When the shares issued by the company are fully paid up, a public announcement shall be made accordingly.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- it shall prepare a balance sheet and a detailed inventory of assets;
- the reduction of registered capital shall be approved by a shareholders' general meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish a relevant announcement of the reduction in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction in registered capital;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the PRC Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to implement an employee stock ownership plan or equity incentive plan; (iv) to repurchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders' general meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to safeguard its company value and protect its shareholders' rights and interests.

The purchase of shares on the grounds set out in (i) and (ii) above shall be subject to approval by way of a resolution passed by the shareholders' general meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by two-third or more of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' general meeting. Following the purchase of shares in accordance with (i), such shares shall be cancelled within 10 days from the date of purchase. The shares shall be transferred or cancelled within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the total number of issued shares of the company, and shall be transferred or cancelled within three years. Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made by a listed company under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the PRC Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No changes of registration in the register of shareholders caused by transfer of registered shares shall be affected within 20 days prior to the convening of shareholder's meeting or 5 days prior to the record date for determination of dividend distributions. However, where there are separate provisions by law on change of registration in the register of shareholders of listed companies, those provisions shall prevail.

The obligations of a shareholder include, among others, the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law.

Under the PRC Company Law, the shareholders' general meeting exercises the following principal powers:

- to elect or remove the directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;

- to examine and approve reports of the board of directors;

- to examine and approve reports of the supervisory committee;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and change of company form;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Annual general meetings are required to be held once every year. Under the PRC Company Law, an extraordinary general meeting is required to be held within two months after the occurrence of any of the following:

- when the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- when the aggregate losses of the company which are not recovered reach one-third of the company's total share capital;
- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the supervisory committee proposes; or
- other circumstances as provided for in the articles of associations.

Under the PRC Company Law, shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board. In the event that the chairman is incapable of performing or fairs to perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or fairs to perform his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or fairs to perform its duties of convening the shareholders' general meeting, the supervisory committee shall convene and preside over such meeting in a timely manner. In case the supervisory committee fails to convene and preside over such meeting, shareholders alone or in aggregate holding 10% or more of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the PRC Company Law, notice of shareholders' general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary general meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidelines for Articles of Association, after the notice of the shareholders' general meeting is issued, the shareholders' general meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of shareholders' general meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a shareholders' general meeting. Pursuant to the Guidelines for Articles of Association, for shareholders' general meetings convened by the supervisory committee or shareholders, the board of directors and the secretary of the board of directors shall provide coordination. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a shareholders' general meeting is held, all directors, supervisors and the secretary of the board of directors of the company shall attend the meeting, and managers and other senior management personnel shall attend the meeting as nonvoting delegates.

Pursuant to the PRC Company Law, shareholders who individually or jointly hold 1% or more of the company's shares may put forward interim proposals and submit the same to the convener in writing 10 days prior to the convening of the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting within two days after receiving the proposal and announce the contents of the interim proposal.

Under the PRC Company Law, shareholders present at shareholders' general meeting have one vote for each share they hold, except for shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting in accordance with the provisions of the articles of association or a resolution of the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters shall be adopted by two-thirds or more of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) purchase or sale of material assets by the company within one year or the provision of any guarantees by the company to others within one year exceeding 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the PRC Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

Under the PRC Company Law, a joint stock limited company shall have a board of directors. A joint stock limited company that is of small size or has a small number of shareholders may not have a board of directors and may have one director who exercises the powers and functions of the board of directors as provided for in the PRC Company Law. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director of the company takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' general meetings and report on its work to the shareholders' general meetings;
- to implement the resolutions passed at shareholders' general meetings;
- to decide on the company's business plans and investment proposals;

- to formulate the company's profit distribution proposals and loss recovery proposals;

- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;

- to prepare plans for the merger, division, dissolution and change in the form of the company;

- to decide on the setup of the company's internal management organization;

- to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;

- to formulate the company's basic management system; and

- to exercise any other power under the articles of association.

Board Meetings

Under the PRC Company Law, board meetings of a joint stock limited company shall be convened at least twice a year. Notice of board meeting shall be given to all directors and supervisors 10 days before the meeting is held. Interim board meetings may be proposed to be convened by shareholders representing 10% or more of voting rights, one-third or more of the directors or the supervisory committee. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Board meetings shall be held only if more than half, of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he/she may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his/her behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board

Under the PRC Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or fairs to perform his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or fairs to perform his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The PRC Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offence of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where a five-year period has not elapsed since the date of completion of the sentence; or a person who has been pronounced on a suspended sentence, where a two-year period has not elapsed since the expiration of the suspension of sentence;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where a three-year period has not elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked and has been ordered to close down in accordance with the law due to legal violations and who was personally liable for such actions, where a three-year period has not elapsed since the date of such revocation of business license or order for closure; or

- a person who is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

Supervisory Committee

Under the PRC Company Law, a joint-stock company may establish an audit committee composed of directors within the board of directors, in accordance with the provisions of its articles of association, to exercise the powers and functions of the supervisory committee or supervisors. If not, the joint-stock company shall establish a supervisory committee with no fewer than three members. The members of the supervisory committee shall include shareholders' representatives and an appropriate proportion of employees' representatives of the company, with the specific proportion stipulated in the articles of association, but the proportion of employees' representatives shall not be less than one-third of the supervisors. The employees' representatives on the supervisory committee shall be democratically elected by the company's employees through a congress of employees, an employee meeting, or in other ways. Directors and senior management shall not serve as supervisors.

The chairman of the supervisory committee shall convene and preside over meetings of the supervisory committee. If the chairman is unable to perform or fails to perform his duties, the vice chairman of the supervisory committee shall convene and preside over the meetings. If the vice chairman is unable to perform or fails to perform his duties, a supervisor elected by a majority of the supervisors shall convene and preside over the meetings.

The term of office for supervisors is three years, and they may be re-elected. If the number of supervisors is reduced below the quorum due to failure to re-elect them in time or their resignation, the supervisors shall continue to perform their duties within the scope prescribed by laws, administrative regulations, and the articles of association until new supervisors are formally elected.

The supervisory committee may exercise the following powers:

- to examine the company's financial condition;
- to supervise the performance of duties by directors and senior management, and propose the removal of directors or senior management who violate laws, regulations, the articles of association, or resolutions of shareholders;
- to require directors and senior management to correct their act that is harmful to the interests of the Company;
- to propose to convene an extraordinary shareholders' meeting, and to convene and preside over the shareholders' meeting when the board fails to fulfill its duties in accordance with the PRC Company Law;
- to submit proposals to the shareholders' meeting;
- to initiate litigation against directors and senior management in accordance with relevant provisions of the PRC Company Law;

- other powers stipulated in the articles of association.

Supervisors may attend board meetings and raise inquiries or suggestions regarding board resolutions. The supervisory committee may investigate any unusual circumstances discovered in the company's operations and, when necessary, engage accounting firms to assist in their work, with the costs borne by the company.

Audit Committee

Under the PRC Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the supervisory committee, in place of a supervisory committee or supervisors. Pursuant to the Guidelines for Articles of Association, the board of directors of a listed company shall establish an audit committee to exercise the powers and functions of the supervisory committee as provided for in the PRC Company Law.

The audit committee shall consist of at least three members, with independent directors forming a majority. The audit committee shall meet at least once a quarter. An extraordinary meeting may be convened upon the proposal of two or more members or when deemed necessary by the convener. A meeting of the audit committee may not be held without two-thirds or more of directors being present. Resolutions of the audit committee shall be passed by more than half of members of audit committee.

The audit committee shall be responsible for review of the financial information of the company and the disclosure thereof, as well as supervision and evaluation of internal and external audit and internal control. The following matters shall be tabled at the board of directors for review and consideration after obtaining the consent of more than half of all members of the audit committee:

- disclosure of the financial information in financial and accounting reports and regular reports, and the evaluation report on internal control;

- appointment or dismissal of an accounting firm which undertakes audit work of a listed company;

- appointment or dismissal of the person-in-charge of finance of a listed company;

- amendment of significant accounting error or change in accounting policy or accounting estimate for reasons other than a change in accounting standards;

- any other matters stipulated by laws, administrative regulations, the relevant provisions of the CSRC and the articles of association.

Manager and Senior Management

Under the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise his/her powers in accordance with provisions of the articles of association or as authorized by the board of directors. The manager attends board meetings. According to the PRC Company Law, senior management shall refer to the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors and Senior Management

Under the PRC Company Law, directors and senior management of a company are required to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have fiduciary and diligent duties to the company and shall take measures to avoid any conflict between their own interests and the interests of the company and not make use of their powers to obtain improper benefits. Directors, supervisors and senior management have a duty of diligence to the company and shall exercise reasonable care in performing their duties in the best interests of the company, as would normally be expected of a manager.

Directors, supervisors and senior management are prohibited from:

- misappropriating company property or funds;
- depositing the company's capital into accounts under his/her own name or the name of other individuals;
- giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- taking commissions from the transactions between the company and any other person into his/her own pocket;
- disclosing confidential business information of the company without authorization; or
- other acts in violation of their fiduciary duty to the company.

Directors, supervisors and senior management, who directly or indirectly enter into contracts or transactions with the company, shall report to the board of directors or the shareholders' general meeting on matters relating to the entering into of such contracts or transactions, which shall be approved by a resolution of the board of directors or the shareholders' general meeting in accordance with the provisions of the articles of association of the company.

Directors, supervisors and senior management shall not use their position and powers to procure business opportunities for themselves or others that should have otherwise been available to the company, except in the following circumstances: i) when the matter has been reported to the board of directors or the shareholders' general meeting and a resolution by the board of directors or the shareholders' general meeting in accordance with the articles of association of the company has been passed; or ii) the company is unable to take advantage of the business opportunity in accordance with the provisions of the laws, administrative regulations or the articles of association of the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

Under the PRC Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. The company shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the PRC Company Law, a joint stock limited company shall prepare and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for its statutory common reserve fund (except where the fund has reached 50% of its registered capital). If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions. After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' general meeting, allocate discretionary common reserve fund from after-tax profits. The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profit.

The premium received from issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve fund and statutory common reserve fund shall be firstly used. If losses still cannot be made up, the capital reserve fund can be used according to the relevant provisions. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion. The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

Pursuant to the PRC Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' general meeting, board of directors or supervisory committee in accordance with provisions of articles of association. The accounting firm shall be allowed to make representations when the shareholders' general meeting, board of directors or supervisory committee conducts a vote on the dismissal of the accounting firm. The company shall provide true and complete accounting evidences, books, financial and accounting reports and other accounting materials to the accounting firm it engages without any refusal, withholding and misrepresentation.

The Guidelines for Articles of Association provide that the company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the accounting firm it engages, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the shareholders' general meeting.

Distribution of Profits

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. Where such amendment involves registered particulars of the company, the change of registration shall be filed with the registration authority.

Dissolution and Liquidation

According to the PRC Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred; (ii) the shareholders' general meeting has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked, or the company is ordered to close down or be dissolved by law; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent 10% or more of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. If a company falls under any of the circumstances as mentioned in the preceding paragraph, it shall make a public announcement through the National Enterprise Credit Information Publicity System within ten days.

In the event of (i) or (ii) above, a company may carry on its existence by amending its articles of association or passing a resolution at the shareholders' general meeting if it has not yet distributed its assets to its shareholders. The amendment to the articles of association in accordance with provisions set out above or resolution passed at a shareholders' general meeting shall require approval of two-thirds or more of voting rights of shareholders attending a shareholders' general meeting. Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation committee shall be established. The directors shall be the liquidation obligors of the company and form a liquidation committee to carry out liquidation within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation committee shall be composed of its directors, except where the articles of association provide otherwise or the shareholders resolve to elect another person. If a liquidation committee is not established within the stipulated period or fails to carry out the liquidation after its formation, any interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation committee. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner. The liquidation committee shall exercise the following powers during the liquidation period:

- to thoroughly examine the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;

- to clear credits and pay off debts;
- to distribute the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation committee shall register such creditor rights. The liquidation committee shall not make any debt settlement to creditors during the period of claim.

Upon examination of properties and the preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts of the company shall be distributed to shareholders according to their shareholding proportion. The company shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's assets shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation committee shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court. Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the shareholders' general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration.

The members of the liquidation committee are obliged to perform their liquidation duties with fidelity and diligence. The members of the liquidation committee shall be liable for damages caused to the company if they are negligent in performing their liquidation duties. A member of the liquidation committee is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

If a registered share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court to declare such certificate invalid. After the people's court declares the invalidity of such share certificate, the shareholder may apply to the company for a replacement share certificate.

Suspension and Termination of Listing

The Securities Law has deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules. According to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

Merger and Demerger

A company may merge through merger by absorption or through the establishment of a newly merged entity. In the case of a merge by absorption, the company which is absorbed shall be dissolved. In the case of a merge by formation of a new company, both companies shall be dissolved.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council'to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (2017 Amendment) (《中華人民共和國仲裁法(2017修正)》) (the "**Arbitration Law**") was passed by the Standing Committee of the NPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017, respectively. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on June 10, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangements of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000 and was amended by the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排(2021)》). In accordance with this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

JUDICIAL JUDGEMENT AND ITS ENFORCEMENT

According to the Arrangement of the Supreme People's Court between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**") promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgement, defined with payment amount and enforcement power, made between the court of PRC and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of Mainland China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. "Choice of court agreement in written" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of Mainland China or the court of the Hong Kong Special Administrative Region in order to resolve dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the Court of Mainland China or the court of the Hong Kong Special Administrative Region to recognized and enforce the final judgement made in Mainland China or Hong Kong that meet certain conditions of the aforementioned regulations.

On January 18, 2019, the PRC Supreme People's Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement came into effect on January 29, 2024, replacing the previous Arrangement.

This appendix summarizes the principal provisions of the Articles of Association, which shall take effect from the date when the Company's H Shares are [**REDACTED**] on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential investors with a summary of the Articles of Association and therefore may not contain all information that is important to potential investors.

BUSINESS SCOPE

The Company's business scope includes the construction of clean energy projects focusing on natural gas, provision of clean energy management services, research and development, consulting, services, and transfer of technologies related to natural gas clean energy, and provision of business management consultation and business consulting service (excluding those pertaining to securities, investment, futures, education and training).

SHARES

Share Issuance

The shares of the Company shall take the form of share certificates. Share certificates of the Company shall be in registered form.

Shares of the Company shall be issued in an open, equitable and fair manner and every share of the same class shall carry the same rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price per share; a same price shall be paid for each share subscribed by any subscriber.

The par value shares issued by the Company shall be denominated in RMB. The Company may offer shares or global depository receipts (hereinafter referred to as the "**GDRs**") to domestic investors and overseas investors subject to the approval by the securities regulatory authority under the State Council. For the purposes mentioned in the preceding paragraph, the term "overseas investors" shall refer to the investors from foreign countries or from Hong Kong, Macao and Taiwan regions who subscribe for the shares or GDRs issued by the Company, and the term "domestic investors" shall refer to the investors inside the People's Republic of China, excluding the above-mentioned regions, who subscribe for the shares issued by the Company or GDRs so issued in compliance with the overseas investment regulatory regulations.

The Company or its subsidiaries (including its affiliates) shall not give any financial assistance to others, in the form of gift, advance, guarantee or loans for the acquisition of the shares of the Company or its parent company, except for the implementation of the Employee Stock Ownership Plan of the Company.

In the interests of the Company, and subject to compliance with the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, by a resolution of the shareholders' general meeting, or by a board resolution in accordance with these Articles of Association or the authorization of the shareholders' general meeting, the Company may provide financial assistance to others for the acquisition of shares of the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed ten percent of the total amount of issued share capital. The resolution made by the board of directors shall be passed by more than two-thirds of all Directors.

Increase, Reduction and Repurchase of Shares

In accordance with the laws and regulations, the Company may, based on its operating and development needs and the resolution of the shareholders' general meeting, increase its capital by the following methods:

(I) issuing shares to unspecified targets;

(II) issuing shares to specific targets;

(III) allotting bonus shares to existing shareholders;

(IV) capitalizing its capital reserve;

(V) other methods specified by the laws and administrative regulations, and approved by the CSRC, other competent regulatory authorities, and securities regulatory provisions of the places where the Company's shares are listed.

After having been approved in accordance with the provisions of the Articles of Association, the competent department of the State Council, the regulatory authorities of the place(s) where the Company's shares are listed, the increase of the Company's capital shall be handled in accordance with the procedures provided in relevant laws and administrative regulations of the PRC and regulatory provisions of the place(s) where the Company's shares are listed.

The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be handled in accordance with the procedures set forth in the PRC Company Law, regulatory provisions of the place(s) where the Company's shares are listed, and other related regulations and the Articles of Association.

The Company shall not acquire its shares, except in one of the following situations:

(I) to reduce the registered capital of the Company;

(II) to merge with other companies which hold shares of the Company;

(III) to use the shares for employee share ownership plans or equity incentives;

(IV) to acquire its own shares at the request of its Shareholders who vote in a Shareholders' general meeting against a resolution regarding a merger or division of the Company;

(V) to use the shares for converting convertible corporate bonds issued by the Company;

(VI) it is necessary for the Company to maintain corporate value and Shareholders' interests;

(VII) other circumstances as specified and permitted by the laws, regulations, regulatory provisions of the place(s) where the shares of the Company are listed.

Where the laws, regulations and the securities regulatory authorities of the place(s) where the Company's shares are listed otherwise provide for the relevant matters related to the share repurchases, such provisions shall prevail. Where the Company repurchases its own shares, it shall perform its information disclosure obligations in accordance with the laws and regulations, and regulatory provisions of the place(s) where the shares of the Company are listed.

The acquisition of its own shares by the Company shall, subject to compliance with the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, be proceeded through open centralized transactions or other methods recognized by laws, regulations and the securities regulatory authorities of the place(s) where the Company's shares are listed. Where the Company acquires its own shares due to the circumstances specified in items (III), (V) and (VI) above, provided that it complies with the applicable provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, such acquisition shall be proceeded through an open centralized transaction method.

Where the Company repurchases its shares for the reasons set out in items (I) and (II) above, subject to compliance with the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, a resolution adopted at a shareholders' general meeting is required. The repurchase of shares of the Company under the circumstances set out in items (III), (V) and (VI) above shall, subject to compliance with the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, require the resolution to be passed at a board meeting attended by more than two-thirds of the Directors.

With respect to A Shares, after the Company acquires its own shares in accordance with the above provisions, if it falls under the circumstance of item (I), it shall cancel the shares within 10 days from the date of acquisition; if it falls under the circumstances of items (II) and (IV), it shall transfer or cancel the shares within 6 months from the date of acquisition. The number of shares of the Company acquired by the Company in accordance with the provisions of items (III), (V) and (VI) above shall not exceed 10% of the total number of issued shares of the Company, and shall be transferred or canceled within three years.

With respect to H Shares, where the laws, regulations and the securities regulatory authorities of the place(s) where the Company's shares are listed otherwise provide for the relevant matters related to the share repurchases, such provisions shall prevail. H Shares repurchased pursuant to the Hong Kong Listing Rules must be held as treasury shares or cancelled. All H Shares held as treasury shares shall retain their listing status, and the Company shall ensure that such treasury shares are properly identified and distinguished.

Unless otherwise specified under the PRC Company Law, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed or relevant laws and regulations, a treasury share of the Company shall not be voted, directly or indirectly, at any meeting of the Company, and such treasury share shall not be counted in determining the total number of issued shares at any given time.

Transfer of Shares

The shares of the Company shall be transferred in accordance with laws. All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or in any other form acceptable to the board of directors (including standard transfer format or ownership transfer form prescribed by Hong Kong Stock Exchange from time to time) or other methods as permitted by the laws and regulation in Hong Kong from time to time, and such instrument of transfer may be executed by hand or under a valid corporate seal (if the transferor or transferee is a corporation). If the transferor or transferee is a recognized clearing house as defined in the relevant ordinance in force from time to time under the laws of Hong Kong (hereinafter referred to as "**Recognized Clearing House**") or its nominee(s), the instrument of transfer may be executed by hand or by machine imprint. All instruments of transfer shall be deposited at the legal address of the Company or at such address as the board of directors shall from time to time designate.

The Company does not accept its own shares as the subject of the pledge.

Shares issued by the Company prior to the public issuance of shares shall not be transferred within one year from the date of listing and trading of the Company's shares on the stock exchange. Directors and senior management members of the Company shall declare to the Company the shares (including preferred shares) held by them in the Company and the changes therein, and shall not transfer more than twenty-five percent of the total number of shares of the same class held by them in the Company each year during their term of office as determined upon appointment; their shareholding in the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The Company's shares held by the abovementioned personnel shall not be transferred within six months after their departure from office. Where the listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed otherwise provide for restrictions on the transfer of H Shares, such provisions shall prevail.

If directors, senior management members and any of the Company's shareholders holding 5% or more of the shares of the Company (other than a Recognized Clearing House or its nominee) sell shares or other securities of an equity nature within six months after buying the same or buy shares or securities within six months after selling the same, the earnings thereof shall belong to the Company and the board of directors shall recover such earnings. Except for any sale of shares by a securities company holding five percent or more Company's shares as a result of its purchase and underwriting of the untaken shares after offering and other circumstances stipulated by CSRC. Where the listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed otherwise provide for restrictions on the transfer of H Shares, such provisions shall prevail.

The shares or other securities of an equity nature held by directors, senior management members or natural person shareholders referred to in the preceding paragraph shall include shares or other securities of an equity nature held by their spouses, parents or children and those held by using others' accounts.

If the board of directors of the Company does not act in accordance with the provisions above, shareholders shall have the right to request the board of directors to do so within thirty days. If the board of directors of the Company fails to act within the above-mentioned period, the shareholders shall have the right to bring a lawsuit directly to a people's court in their own name in the interest of the Company. If the board of directors of the Company does not act in accordance with the provisions above, the directors responsible shall be jointly and severally liable in accordance with the law.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration and clearing authority and in accordance with the provisions under the applicable laws, regulations, regulatory documents, and the Hong Kong Listing Rules, and the register of shareholders is sufficient evidence to prove that the shareholders hold the shares of the Company. The original copy of the register of holders of H Shares [**REDACTED**] in Hong Kong is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders, wherever necessary, in accordance with the applicable laws and regulations and the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed. In the event that any shareholder whose name is recorded in or any person who requests to have its name entered in the register of holders of H Shares loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. Where a holder of H Shares loses his/her share certificate(s) and applies for replacement, such application shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original copy of the register of holders of H Shares is maintained. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company enjoy the following rights:

(I) to receive dividends and other forms of interest distributions in proportion to their shareholdings;

(II) to request, convene, call, hold and attend or appoint proxies to attend shareholders' general meeting and exercise their corresponding voting rights according to laws;

(III) to supervise, provide recommendations on or make inquiries about the operations of the Company;

(IV) to transfer, donate or pledge their shares in accordance with laws, administrative regulations, the provisions of the securities regulatory authorities and the stock exchange(s) of the place(s) where the Company's shares are listed, the requirements of the relevant regulatory authorities, and the Articles of Association;

(V) to inspect and copy the Articles of Association, register of shareholders, minutes of the shareholders' general meetings, resolutions of the board meeting, and financial and accounting reports, in which case, shareholders that are in compliance with the provisions may also review the Company's accounting books and vouchers;

(VI) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(VII) to request the Company to acquire their shares for the shareholders who voted against any resolution adopted at the shareholders' general meeting concerning the merger or division of the Company;

(VIII) to supervise the Company's independent directors and submit to the Company's board of directors any questions or proposals for the dismissal of independent directors in accordance with the Articles of Association;

(IX) other rights stipulated by laws, administrative regulations, departmental rules, or the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, or the Articles of Association.

Any shareholder requesting to inspect or make copies of the relevant materials of the Company shall comply with the provisions of the PRC Company Law, the Securities Law and other laws and administrative regulations, and shall provide the Company with written documents evidencing the class and number of shares of the Company held by them. Upon verification of the shareholders' identities, the Company shall provide information as requested by such shareholders.

The shareholders shall be entitled to request the People's Court to invalidate the resolution of the shareholders' general meeting and board meeting which violates the laws and administrative regulations. The shareholders shall be entitled to request the People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the shareholders' general meeting or board meeting violates the laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association, except, however, where there are only minor defects in the convening procedure or voting method of the shareholders' general meeting or board meeting, which do not have substantive effect on the resolution.

Where the board of directors, shareholders and other relevant parties have any dispute over the validity of a resolution of the shareholders' general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgment or ruling that the resolution shall be revoked, the relevant parties shall implement the resolution of the shareholders' general meeting. The Company, its Directors and senior management members shall effectively perform their duties to ensure the normal operation of the Company.

Where the People's Court makes a judgment or ruling on the relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, and the requirements of the CSRC and the stock exchange to give a full explanation on the impact, and proactively support the execution of the judgment or ruling after it has come into effect. If it involves the correction of prior period matters, the Company shall address them in a timely manner and fulfill the corresponding information disclosure obligations.

A resolution of the shareholders' general meeting or the board of directors of the Company shall not be valid if any of the following circumstances applies:

(I) No shareholders' general meeting or board meeting has been convened to make a resolution;

(II) No vote has been taken on the matters resolved at the shareholders' general meeting or board meeting;

(III) The number of persons attending the meeting or the number of voting rights held by them does not reach the required number under the PRC Company Law or these Articles of Association;

(IV) The number of persons agreeing to the matters resolved or the number of voting rights held by them does not reach the required number under the PRC Company Law or these Articles of Association.

If a Director or senior management members other than those who is also a member of the audit committee causes losses to the Company for violation of the requirements of the laws, administrative regulations or the Articles of Association during the performance of his/her duties, shareholders who hold 1% or above, individually or jointly, of the Company's shares for more than 180 days continuously, have the right to request the audit committee to bring a suit to the People's Court; if a member of the audit committee causes losses to the Company for violation of the requirements of the laws, administrative regulations or the Articles of Association during the performance of its duties, the aforesaid shareholders can request the board of directors in written form to file a suit in the People's Court.

Upon receipt of the written request by the shareholders as stipulated in the preceding paragraph, in case the audit committee and the board of directors refuses to file a litigation or fails to file a litigation within 30 days from receipt of such request, or under urgent circumstances the audit committee and/or the board of directors fails to file a litigation immediately, causing irreparable damages to the Company, the shareholders as stipulated in the preceding paragraph shall have the right to file a litigation with the People's Court directly in their own name for protection of the Company's interests.

In the event that any person infringes the lawful interests and rights of the Company causing losses to the Company, the shareholders specified in the Articles of Association may file a litigation with the People's Court in accordance with the provisions of the preceding two paragraphs.

If a director, supervisor or senior management members of a wholly-owned subsidiary of the Company causes losses to the Company for violation of the requirements of the laws, administrative regulations or the Articles of Association during the performance of his/her duties, or in the event that any person infringes the legal interests of and causes losses to the wholly-owned subsidiary of the Company, shareholders who hold 1% or above, individually or jointly, of the Company's shares for more than 180 days continuously have the right to request in writing the supervisory committee or the board of directors of the wholly-owned subsidiary to bring a suit to the People's Court or file a litigation with the People's Court directly in their own name in accordance with the provisions of the first three paragraphs of Article 189 of the PRC Company Law.

In the event of violation of the laws, administrative regulations or the provisions under the Articles of Association by a director or senior management member in performing his/her duties resulting damage to the shareholders' interest, the shareholders may file a litigation with the People's Court.

Shareholders of the Company shall assume the following obligations:

(I) to abide by the laws, administrative regulations and the Articles of Association;

(II) to pay capital contribution according to the number of shares subscribed for and the method of subscription;

(III) to perform their duty of good faith to the Company according to law, in which case, the shareholder holding more than 5% of the shares and their persons acting in concert shall disclose the information of their related parties and actions in concert to the board of directors in a true, accurate and complete manner, and undertake to report in a timely manner to the board of directors when there are any changes in such related party or acting-in-concert relationship;

(IV) to support the development strategies and plans formulated by the board of directors;

(V) not to withdraw the share capital unless required by the laws and administrative regulations;

(VI) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;

(VII) not seek improper benefits, interfere with the decision-making and management rights enjoyed by the board of directors and senior management in accordance with the Articles of Association, or bypass the board of directors and senior management to directly interfere with the Company's operations and management;

(VIII) other obligations imposed by the laws, administrative regulations, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, the relevant regulatory authorities, and the Articles of Association.

Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to laws. Where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Controlling Shareholder(s) and Actual Controller(s)

The controlling shareholders and actual controllers of the Company shall exercise their rights and fulfill their obligations and safeguard the interests of the listed company in accordance with the provisions of the laws, administrative regulations, and the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed. A controlling shareholder or actual controllers shall maintain control over the Company and the stability of its production operations if they pledge the Company's shares held or effectively controlled by them. In the event of any transfer of the Company's shares held by a controlling shareholder or actual controllers they shall comply with the restrictive provisions regarding the transfer of shares stipulated under the laws, administrative regulations and the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, as well as the undertakings they have made in respect of restrictions in share transfer.

The Controlling shareholders and actual controllers of the Company shall comply with the following requirements:

(I) to exercise shareholders' rights in accordance with the law, and not to abuse the controlling right or take advantage of connected relationship to harm the lawful rights and interests of the Company or other shareholders;

(II) to stringently fulfill the public declarations and undertakings made and not to alter or waive such declarations or undertakings in a unilateral manner;

(III) to strictly perform the obligation of information disclosure in accordance with pertinent provisions and actively cooperate with the Company to procure proper information disclosure, notifying the Company in a timely manner of material matters that have occurred or will likely occur;

(IV) not to appropriate the funds of the Company in any manner;

(V) not to order by coercion, instruct or demand the Company and relevant staff to provide guarantees in violation of laws or regulations;

(VI) not to take advantage of the possession of unannounced material information of the Company for their gain, or divulge unannounced material information relating to the Company in any manner, or be engaged in illegal or illicit acts such as insider trading, short-term trading or market manipulation;

(VII) not to compromise the lawful rights and interests of the Company and other shareholders through any means, such as unfair connected transaction, profit distribution, asset reorganization, and external investments;

(VIII) to guarantee the integrity of the Company's assets and the Company's independence in terms of staffing, finance, organization and business, and not to affect the independence of the Company in any manner;

(IX) other provisions under the laws, administrative regulations, provisions of CSRC, the business rules of stock exchanges and other provisions of the Articles of Association.

If a controlling shareholder or actual controllers of the Company does not act as a Director of the Company but actually executes the affairs of the Company, the provisions of the Articles on the duties of loyalty and diligence of Directors shall apply. A controlling shareholder or actual controllers of the Company who instructs Directors and senior management members to engage in acts detrimental to the interests of the Company or its shareholders shall be jointly and severally liable with such Directors and senior management members.

General Provisions on Shareholders' General Meeting

The shareholders' general meeting of the Company comprises all shareholders. The shareholders' general meeting is the organ of power of the Company and exercises the following functions and powers according to the laws:

(I) to elect and replace Directors who are not employee representatives, and to decide on matters relating to their remuneration;

(II) to review and approve the reports of the board of directors;

(III) to review and approve the profit distribution policy, profit distribution plan and loss recovery plan of the Company;

(IV) to make resolutions on the increase or reduction of the Company's registered capital, the issuance of any class of stock, warrants and other similar securities;

(V) to make resolutions on the issuance of corporate bonds;

(VI) to make resolutions on matters such as the merger, division, dissolution, liquidation or change in the organizational form of the Company;

(VII) to amend the Articles of Association;

(VIII) to make a resolution on the engagement or removal of the accounting firm that provides audits for the Company;

(IX) to review and approve matters of guarantee which are required by the Articles of Association to be reviewed by the shareholders' general meeting;

(X) to consider the Company's purchase or disposal of major assets within one year of an aggregate value exceeding 30% of the latest audited total assets of the Company;

(XI) for any transaction of the Company as described in the Articles of Association (other than provision of guarantees, receipt of cash assets as gift or debts purely to reduce or exempt the obligations of the listed company) which meets any of the following criteria, it shall be submitted to the shareholders' general meeting for review:

1. the total value of assets involved in the transaction (book value or appraised value, whichever is higher) accounts for 50% or above of the latest audited total assets of the listed company;

2. the net assets (book value or appraised value, whichever is higher) involved in the subject matter of the transaction (such as equity interest) accounts for 50% or above of the latest audited net assets of the listed company, with the absolute amount being more than RMB50,000,000;

3. the consideration of the transaction (including assumed liabilities and costs) accounts for 50% or above of the mostly audited net assets of the listed company, with the absolute amount being more than RMB50,000,000;

4. the profit derived from the transaction accounts for 50% or above of the audited net profit of the latest fiscal year of the listed company, with the absolute amount being more than RMB5,000,000;

5. the revenue derived from the subject matter of the transaction (such as equity interest) in the latest fiscal year accounts for 50% or above of the audited revenue of the listed company in the latest fiscal year, with the absolute amount being more than RMB50,000,000;

6. the net profit derived from the subject matter of the transaction (such as equity interest) in the latest fiscal year accounts for 50% or above of the audited net profit of the listed company in the latest fiscal year, with the absolute amount being more than RMB5,000,000.

If any data involved in the indicators above is negative, the absolute value shall apply.

(XII) Review and approve transactions between the Company and related parties (excluding guarantees provided by the Company to external parties, cash assets received as gifts, and debts purely to reduce or exempt the obligations of the listed company) with amounts exceeding RMB30,000,000, and accounting for 5% or above of the absolute value of the Company's latest audited net assets; if transaction amount with the same related party or the amount of subject transactions with different related parties under the same transaction category meets the aforementioned standards for a consecutive 12 months, such transactions shall also be submitted to the shareholders' general meeting for approval. The same related parties as specified above include other related parties under common control or having a mutual equity control relationship with such related parties.

(XIII) to review and approve the change in use of proceeds;

(XIV) to consider equity incentive schemes and employee stock ownership schemes;

(XV) to consider and approve any transactions or matters as required by Hong Kong Listing Rules (including but not limited to Chapter 14 and Chapter 14A thereof) to be submitted to the shareholders' general meeting for consideration and approval;

(XVI) to consider other matters as required by laws, administrative regulations, departmental rules, regulatory documents, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, and the Articles of Association, which shall be determined by the shareholders' general meeting.

The following external guarantees of the Company shall be submitted to shareholders' general meeting for consideration and approval.

(I) any guarantee provided after the total amount of external guarantees of the Company and its controlled subsidiaries has exceeded 50% of the latest audited net assets;

(II) any guarantee provided after the total amount of external guarantees of the Company has exceeded 30% of the latest audited total assets;

(III) any guarantee provided by the Company to others within one year with an amount exceeding 30% of the Company's latest audited total assets;

(IV) any guarantee provided to any guaranteed party with assets-liabilities ratio exceeding 70%;

(V) a single guarantee that exceeds 10% of the latest audited net assets;

(VI) the guarantee to be provided to shareholders, de facto controllers and their related parties;

(VII) other guarantees as required by the laws, regulations, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed or the Articles of Association.

Shareholders' general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting is convened once a year and shall be held within 6 months after the end of the previous financial year. The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

(I) where the number of directors falls short of the number required by the PRC Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(II) where the unrecovered losses of the Company reach one-third of the total share capital;

(III) where it is requested by a shareholder individually or shareholders collectively holding more than 10% of the Company's shares;

(IV) the board of directors considers it necessary;

(V) the audit committee proposes that such a meeting shall be held;

(VI) other circumstances as required by the laws, administrative regulations, departmental rules, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed or the Articles of Association.

Convening of Shareholders' General Meeting

The board of directors shall convene the shareholders' general meeting on time within the specified period. Subject to the consent of more than half of all the independent directors, the independent directors have the right to propose to the board of directors to convene an extraordinary general meeting. With regard to the proposal made by the independent directors for convening an extraordinary general meeting, the board of directors shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal. Where the board of directors agrees to convene an extraordinary general meeting, a notice in relation to the convening of an extraordinary general meeting shall be issued within 5 days after the resolution of the board of directors is made. Where the board of directors does not agree to convene an extraordinary general meeting, it shall provide reasons and make an announcement.

The audit committee may propose the convening of extraordinary general meetings to the board of directors, provided that such proposal be made in writing. The board of directors shall, in accordance with provisions of the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within 10 days after receiving such proposal of the same. In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of shareholders' general meeting shall be issued within 5 days after the passing of the relevant resolution of the board of directors. Any changes to the original proposal made in the notice shall require prior approval of the audit committee. In the event that the board of directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, the board of directors shall be deemed as incapable of performing or failing to perform the duty of convening a shareholders' general meeting, in which case the audit committee may convene and preside over such meeting on a unilateral basis.

Shareholders alone or in aggregate holding 10% or more of the Company's shares may request the board of directors to convene extraordinary general meetings, provided that such request shall be made in writing. The board of directors shall, in accordance with provisions of the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within 10 days after receiving such proposal of the same. In the event that the board of directors agrees to convene an extraordinary general meeting, the notice of shareholders' general meeting shall be issued within 5 days after the passing of the relevant resolution of the board of directors. Any changes to the original request made in the notice shall require prior approval of the shareholders concerned. In the event that the board of directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such request, shareholders alone or in aggregate holding 10% or more of the Company's shares shall be entitled to propose to the audit committee the convening of an extraordinary general meeting, provided that such request shall be made in writing. In the event that the audit committee agrees to convene an extraordinary general meeting, the notice of shareholders' general meeting shall be issued within 5 days after receiving such request. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned. Failure of the audit committee to issue a notice of shareholders' general meeting within the stipulated period shall be deemed as failure of the audit committee to convene and preside over a shareholders' general meeting, and shareholders alone or in aggregate holding 10% or more of the Company's shares for 90 consecutive days or more shall be entitled to convene and preside over the meeting on a unilateral basis.

Proposals and Notices of Shareholders' General Meeting

Proposals submitted to the shareholders' general meeting shall meet the following conditions:

(I) The contents of the proposals shall comply with the relevant provisions of the laws, administrative regulations, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed and the Articles of Association, and shall fall within the terms of reference of the shareholders' general meeting;

(II) The proposals shall have clear subjects and specific matters to be resolved;

(III) The proposals shall be submitted or delivered to the convener of the shareholders' general meeting in written form.

When the shareholders' general meeting is held by the Company, the board of directors, the audit committee or any shareholders solely or collectively holding more than 1% of the shares of the Company shall have the right to put forward a proposal to the Company.

Shareholders solely or collectively holding more than 1% of the shares of the Company, may submit in writing interim proposals to the convener 10 days before the date of the convening of the shareholders' general meeting. The convener shall, within 2 days upon receipt of such proposals, serve a supplementary notice of the shareholders' general meeting to announce the content of the interim proposals, and submit the same to the shareholders' general meeting for consideration, except where such interim proposal violates the provisions of laws, administrative regulations or the Articles of Association, or is not within the scope of authority of the shareholders' general meeting. If, pursuant to the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, the shareholders' general meeting is required to be postponed due to the issuance of a supplemental notice of shareholders' general meeting, such shareholders' general meeting shall be postponed in accordance with the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed.

Except as provided in the preceding paragraph and in accordance with the laws, regulations, rules, and regulatory documents, the convener shall not amend the proposals set out in the notice of the shareholders' general meeting or add any new proposals after issuing the notice of the shareholders' general meeting. No vote shall be taken and no resolution shall be made at the shareholders' general meeting on proposals that are not specified in the notice of the shareholders' general meeting or proposals that do not comply with the provisions of the Articles of Association.

The convener shall notify all shareholders by way of announcement 21 days prior to the convening of the annual general meeting, and each shareholder shall be notified by way of announcement 15 days prior to the convening of the extraordinary general meeting. The date of the meeting shall not be included by the Company in the calculation of the commencement period.

The notice of a shareholders' general meeting shall include the following:

(I) the time, venue and duration of the meeting;

(II) matters and proposals submitted to the meeting for consideration;

(III) the notice shall state clearly that all shareholders are entitled to attend the shareholders' general meeting or appoint proxies in writing to attend and vote at such meeting on their behalf and that such proxies need not be a shareholder of the Company;

(IV) the shareholding registration date for the shareholders who are entitled to attend the shareholders' general meeting;

(V) the names and telephone numbers of the contact person for the meeting affairs;

(VI) voting time and procedures via online or other methods.

The notice and supplemental notice of the shareholders' general meeting shall fully and completely disclose all the specific contents of all proposals.

Where the shareholders' general meeting proposes to discuss the election of directors, the notice of the shareholders' general meeting shall fully disclose the detailed information of the candidates for directors, which shall at least include the following:

(I) personal particulars such as educational background, work experience and part-time job;

(II) whether there is any related relationship with the Company or its controlling shareholders and de facto controller;

(III) disclosure of the number of shares held in the Company;

(IV) whether they have been penalized by the CSRC and other relevant authorities and reprimanded by stock exchange(s) of the place(s) where the Company's shares are listed.

(V) other disclosures as required by relevant laws, regulations, and securities regulatory rules of the place where the Company's shares are listed.

After the notice for shareholders' general meeting is issued, the shareholders' general meeting shall not be postponed or cancelled without justifiable reasons, and the proposals specified in the notice shall not be canceled. In case of postponement or cancellation, the convener shall make an announcement stating the reasons at least 2 working days before the original date of the convening. If there are special provisions under the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed regarding the procedures for postponing or canceling shareholders' general meeting, it shall comply with the relevant provisions on the premise of not violating the domestic regulatory requirements.

Holding of the Shareholders' General Meeting

All ordinary shareholders in the register of shareholders as at the shareholding registration date or their proxies are entitled to attend the shareholders' general meeting, and exercise voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Shareholders may attend a shareholders' general meeting in person, or may appoint other persons as his/her proxies to attend and vote on his/her behalf. Where a shareholder appoints two or more proxies to attend the shareholders' general meeting, the scope of authority of and the name of the proposals to be voted on by each proxy shall be clearly specified. Shareholders shall have the right to speak and vote at the shareholders' general meeting, unless a particular shareholder is required to abstain from voting on specific matters in accordance with applicable laws, administrative regulations, departmental rules, regulatory documents, or the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed.

If the shareholders' general meeting requires directors and senior management members to attend the meeting, the directors and senior management members shall attend and accept questions from the shareholders. Subject to compliance with the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, the aforementioned persons may attend or present at the meeting through the internet, video, telephone or other means with equivalent effect.

A shareholders' general meeting shall be presided over by the chairman of the board. Where the chairman of the board is unable or fails to perform his/her duties, the meeting shall be presided over by a vice chairman of the board. Where the vice chairman of the board is unable or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors. A shareholders' general meeting convened by the audit committee shall be presided over by the convener of the audit committee. Where the convener of the audit committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the audit committee jointly elected by more than half of members of the audit committee. A shareholders' general meeting convened by shareholders shall be presided over by the convener or a representative elected by such convener. When a shareholders' general meeting is convened, if the chairman of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders present at the meeting with voting rights, the shareholders' general meeting may elect a person to act as the chairman of the meeting and continue the meeting.

The Company formulates the rules of procedure of the shareholders' general meeting, which stipulate in detail the convening, holding and voting procedures of the shareholders' general meeting, including notice, registration, consideration of proposals, voting, vote-taking, announcement of voting results, formation of meeting resolutions, meeting minutes and signings and announcements, etc., as well as the authorization principles of the shareholders' general meeting to the board of directors, and that the authorization content should be clear and specific. The rules of procedure of the shareholders' general meeting shall be annexed to the Articles of Association, drawn up by the board of directors and approved by the shareholders' general meeting.

Voting and Resolutions of Shareholders' general meeting

The resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions. Ordinary resolutions made by the shareholders' general meeting shall be adopted by more than half of the voting shares held by the shareholders (including their proxies) present at the meeting. Special resolutions made by the shareholders' general meeting shall be adopted by more than two-thirds of voting shares held by the shareholders (including their proxies) present at the meeting.

The following matters shall be approved by an ordinary resolution at the shareholders' general meeting:

(I) work reports of the board of directors;

(II) profit distribution plan and loss recovery plan drafted by the board of directors;

(III) appointment or dismissal of the members of the board of directors, and their remunerations and the payment method;

(IV) appointment and dismissal of accounting firms;

(V) other matters other than those which are required by laws, administrative regulations, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed or the Articles of Association be approved by special resolutions.

The following matters shall be approved by a special resolution at the shareholders' general meeting:

(I) the increase or reduction of registered capital of the Company, or the issuance of shares of any class, warrants and other similar securities;

(II) division, spin-off, merger, dissolution and liquidation of the Company or change of corporate form of the Company;

(III) amendments to the Articles of Association;

(IV) equity incentive schemes;

(V) issuance of corporate bonds;

(VI) the amount of significant assets purchased or disposed of within one year or the amount of guarantee provided to others exceed 30% of the latest audited total assets of the Company;

(VII) amendments to the profit distribution policy;

(XIII) other matters as required by the laws, administrative regulations, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed or the Articles of Association, and considered by the shareholders' general meeting, by way of an ordinary resolution, to have a material impact on the Company, and to be passed by a special resolution.

If the issued share capital of the Company consists of different classes of shares, any change to the rights attached to the class of shares shall be passed by a majority representing two-thirds or above of the voting rights present at the shareholders' general meeting of such class of shares.

Shareholders (including proxies) shall exercise voting rights in respect of the number of voting shares they represent, and each share entitles shareholders to one vote. Where permitted by the applicable securities regulatory rules of the stock exchange where the shares are listed, on a poll taken, shareholders (including proxies) having two or more votes need not cast all votes in the same way.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares of the Company held by the Company shall have no voting right, and shall not be included in the total number of voting shares at the shareholders' general meeting. If the purchase of voting shares of the Company by a shareholder violates the provisions of Article 63(1) and (2) of the Securities Law, voting rights of the shares exceeding the prescribed percentage shall not be exercisable within 36 months after the purchase, and such shares shall not be calculated into the total number of voting shares at the shareholders' general meeting.

If any shareholder, under applicable laws and regulations and Hong Kong Listing Rules, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The board of directors of the Company, independent directors, shareholders holding 1% or above of the voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit voting rights from shareholders. When soliciting voting rights from shareholders, the specific voting intentions and other information shall be fully disclosed to the shareholders to be solicited. Compensation or disguised compensation for soliciting shareholders voting rights is prohibited. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights other than the statutory conditions.

When a related party transaction is considered at a shareholders' general meeting, the related shareholders shall abstain from voting and the number of voting shares they represent shall not be counted in the total number of valid voting shares. Announcement of resolutions of the shareholders' general meeting shall fully disclose the voting of non-related shareholders.

The Company shall, on the premise of ensuring the legality and effectiveness of the shareholders' general meeting and subject to compliance with the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, provide modern information technology means such as online voting platforms in priority through various ways and channels, so as to facilitate the shareholders.

BOARD OF DIRECTORS

Directors

Directors of the Company may include executive directors, non-executive directors and independent directors. Non-executive director refers to the director who does not hold any operational management position in the Company. The eligibility requirements, nomination and election procedures, powers and other related matters of independent directors shall be implemented in accordance with the relevant provisions of the law, the CSRC and stock exchange(s) of the place(s) where the Company' s shares are listed. Directors shall possess the qualifications required by laws, administrative regulations, rules, the Articles of Association and the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed. A director of the Company who is a natural person may not act as a director of the Company under any of the following circumstances:

(I) persons without civil capacity or with limited capacity for civil acts;

(II) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation; and not more than two years have elapsed since the date of the completion of the probation period if probation is announced;

(III) persons who served as directors, or factory directors or general managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of their companies or enterprises;

(IV) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked and ordered for closure for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license and the closure ordered;

(V) persons who are listed as defaulters by the People's Court due to comparatively large debts that have fallen due but have not been settled;

(VI) persons who are banned from the securities market by the CSRC, other competent regulatory authorities or stock exchanges, and the term is not expired;

(VII) the person who has been publicly identified by the stock exchange as not suitable to serve as directors, senior management members, etc. of a listed company, the term of which has not expired;

(VIII) other circumstances as required by laws, administrative regulations, departmental rules, or the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, or the provisions of other competent regulatory authorities.

Where a director is elected or appointed in violation of the aforementioned provisions, the election, appointment or employment shall be invalid. If any of aforementioned circumstances occurs during the term of a director, the Company shall remove such director from his or her office and terminate his or her performance of duties.

Directors shall be elected or replaced by the shareholders' general meeting and may be removed from office by the shareholders' general meeting prior to the expiry of their term of office. Directors shall have a term of three years, and subject to compliance with laws, administrative regulations, departmental rules, and the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, may be re-elected upon expiry of their term of office. A director may be removed from office by an ordinary resolution of a shareholders' general meeting before the expiry of his/her term of office, provided that such removal shall be without prejudice to any claim for damages by such director under any agreement.

The term of office of a director commences from the date of taking office, until the current term of office of the board of directors ends. If a director is not re-elected in a timely manner upon the expiration of the term of office, the former director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, the Articles of Association until the re-elected director takes office.

A director appointed by the board of directors to fill a casual vacancy or to increase the number of members of the board of directors shall hold office for a term commencing from the date of his/her appointment until the first annual general meeting after his/her appointment, and shall be eligible for re-election.

The senior management members may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as senior management members and directors who are employee representatives, shall not exceed one half of all the directors of the Company. One employee representative shall be appointed as a director on the Company's board of directors. Employee representatives of the board of directors shall be democratically elected by the employees of the Company through the employee representatives' general meeting, employees' general meeting or other forms without submission to the shareholders' general meeting for consideration.

In compliance with the laws, administration regulations, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed and the Articles of Association, the directors shall perform the obligations of loyalty to the Company, take measures to avoid any conflict of interests with the Company, and shall not use their duties and powers to obtain improper benefits. The directors shall have the following obligations of loyalty to the Company:

(I) not to use their duties and powers to give or accept bribes or other illegal income;

(II) not to embezzle or misappropriate the property or funds of the Company;

(III) not to open accounts in their own names or names of other individuals for the deposit of the funds of the Company;

(IV) not to operate a business similar to that of the Company for his/her own account or on behalf of others without reporting to the board of directors or the shareholders' general meeting and approval by a resolution of the shareholders' general meeting;

(V) not to enter into any contract or transaction, directly or indirectly, with the Company without reporting to the board of directors or the shareholders' general meeting and approval by a resolution of the board of directors or the shareholders' general meeting in accordance with the provisions of the Articles of Association;

(VI) not to use the advantages of his/her position to obtain business opportunities attributable to the Company for himself/herself or for others, unless it has been reported to the board of directors or the shareholders' general meeting and approved by a resolution of the shareholders' general meeting, or the Company is forbidden to use such business opportunities in accordance with the provisions of laws, administrative regulations or the Articles of Association;

(VII) not to accept commissions from others on transactions with the Company for their own benefit;

(VIII) not to disclose secrets of the Company without authorization;

(IX) not to use their connected relations to impair the interests of the Company;

(X) other obligations of loyalty stipulated by laws, administrative regulations, department rules, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed and the Articles of Association.

The income obtained by the directors in violation of the provisions of the Articles of Association shall belong to the Company; losses caused to the Company by such persons shall be indemnified by the same.

In compliance with the laws, administration regulations, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed and the Articles of Association, the directors shall perform obligations of diligence to the Company and exercise the reasonable care normally expected of management personnel in the best interests of the Company in the performance of their duties. The directors shall have the following obligations of diligence to the Company:

(I) to exercise the rights conferred by the Company prudently, conscientiously and diligently to ensure that the Company's commercial acts comply with the requirements of national laws and administrative regulations and various national economic policies, and that its commercial activities do not exceed the scope of business specified in the business license;

(II) to treat all shareholders fairly;

(III) to keep abreast of the Company's business operation and management status;

(IV) to sign written and confirmation opinions on the periodic reports of the Company to ensure that the information disclosed by the Company is true, accurate and complete;

(V) to truthfully provide relevant information and materials to the audit committee and shall not impede the audit committee in the exercise of their duties and powers;

(VI) the directors shall attend board meetings in a conscientious and responsible manner, and express precise opinions on the resolutions proposed at such meetings independently, professionally, and objectively. In case a director is unable to attend the board meeting in person, he/she may entrust other directors in writing to vote on his/her behalf according to the wishes of the principal. The principal shall bear the legal liabilities independently, and the directors who fail to attend the board meeting in person and do not entrust other directors to attend the meeting shall be deemed as absent;

(VII) other obligations of diligence as stipulated by laws, administrative regulations, departmental rules, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed and the Articles of Association.

If the director fails to attend the board meeting in person or entrust any other directors to attend the meeting on his/her behalf for two consecutive times, it shall be deemed that he/she cannot perform his/her duties, and the board of directors shall propose to the shareholders' general meeting to remove such director. Subject to comply with the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, any director attending the board meeting by internet, video, telephone or other equivalent means, shall also be deemed to be present in person thereat.

A director may resign before the expiry of his/her term of service. When a director resigns, he/she shall submit a written resignation report to the Company. The resignation shall take effect on the date the Company receives the resignation report. The Company shall make relevant disclosure within two trading days. In the event that the resignation of any director during his/her term of office results in the number of members of the board of directors being less than the statutory minimum requirement, the composition of the board of directors or its special committees fail to comply with laws and regulations, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed or the provisions of the Articles of Association as a result of the resignation of independent directors, or the remaining independent directors cannot continue to comply with the relevant provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, before the newly elected director takes office, the former director shall still perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed and the Articles of Association.

The Company has established a management system for director resignations, clearly specifying the accountability and compensation measures for unfulfilled public commitments and other outstanding matters. When a director's resignation takes effect or his/her term of office expires, the director shall complete all handover procedures with the board of directors, and his/her fiduciary duties to the Company and shareholders shall not be discharged after the termination of office, but shall remain valid within the reasonable period prescribed by the Articles of Association. Responsibilities that should be undertaken by a director in connection with his/her performance of duties during his/her term of office shall not be waived or terminated as a result of such departure. The duty of confidentiality of directors in relation to business secrets of the Company survives the termination of their tenure until such business secrets become public. The duration of other fiduciary duties shall be determined in accordance with principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company is terminated.

Without the provisions of the Articles of Association and the lawful authorization of the board of directors, no director shall act on behalf of the Company or the board of directors in his/her own name. Where a director acts in his/her own name, the director shall declare in advance his/her position and identity in the case that a third party would reasonably believe that the director is acting on behalf of the Company or the board of directors.

Independent directors shall fulfill their responsibilities in accordance with the relevant provisions of laws, administrative regulations, the CSRC and the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed.

Board of Directors

The Company shall establish a board of directors, which shall be accountable to the shareholders' general meeting.

The board of directors shall consist of 11 directors, including at least three independent directors, who shall constitute no less than one-third of the total number of directors; the board of directors shall have one chairman and one vice chairman.

The board of directors shall exercise the following powers:

(I) Convening the shareholders' general meeting and reporting work to the shareholders' general meeting;

(II) Executing the resolutions of the shareholders' general meeting;

(III) Deciding on the business plan and investment plan of the Company;

(IV) Formulating or modifying the Company's policy and plan for profit distribution, and plans for making up losses;

(V) Formulating plans for increasing or reducing the registered capital, issuing bonds or other securities and listing scheme;

(VI) Drawing up plans for major acquisition or acquisition of shares of the Company or merger, division, dissolution and change of company form;

(VII) Deciding on the matters such as external investment, acquisition and sale of assets, pledge of assets, external guarantee, entrusted wealth management, connected transactions and external donations within the scope authorized by the shareholders' general meeting;

(VIII) To deliberate on related transactions with affiliated natural persons with a transaction amount of RMB300,000 or above (except for guarantee provided by the Company), and related transactions with affiliated legal persons with a transaction amount of RMB3 million or above and accounting for 0.5% or above of the absolute value of the latest audited net assets of the Company (except for guarantee provided by the Company); If the transaction amount with the same related party or the transaction with different related parties in relation to subject of the same transaction category meets the above criteria for 12 consecutive months, the transaction amount shall also be submitted to the board of directors for approval;

(IX) Deciding on the setting of the internal management organization of the Company;

(X) Deciding on the appointment or removal of the chief executive officer, joint chief executive officer, president and secretary of the board of directors of the Company, and determining their remuneration and rewards and punishments; deciding on the appointment or removal of other senior management member such as chief financial officer and vice president of the Company and determining their remuneration and rewards and punishments according to the nomination of the chief executive officer or the joint chief executive officer;

(XI) Formulating the basic management system of the Company;

(XII) Formulating the amendment plan of the Articles of Association;

(XIII) Managing the disclosure of information of the Company;

(XIV) Proposing to the shareholders' general meeting for hiring or replacing the accounting firm responsible for conducting audit of the Company;

(XV) Listening to the work report of the president of the Company, inspecting the work of the president, supervising the performance of senior management members and ensuring that the senior management members effectively perform their management duties;

(XVI) reviewing and monitoring the corporate governance of the Company, including but not limited to:

1. Formulating and reviewing the corporate governance policies and practices of the Company;

2. Reviewing and monitoring the training and ongoing professional development of the directors and senior management members;

3. Reviewing and monitoring the Company's policies and practices in legal and regulatory compliance;

4. Formulating, reviewing and monitoring the code of conduct and compliance manual (if any) for employees and directors; and

5. Reviewing the Company's compliance with Code of Corporate Governance of the Hong Kong Listing Rules and disclosures made in the corporate governance report.

(XVII) Other powers authorized by the shareholders' general meeting as well as stipulated in laws, administrative regulations, departmental rules, the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed or the Articles of Association.

The board of directors of the Company shall establish audit committee, and set up nomination committee, remuneration and appraisal committee, strategy & ESG committee (ESG stands for Environmental, Social, and Governance), and other special committees as needed. The special committees shall be responsible to the board of directors and shall perform its duties according to the Articles of Association and the authorization of the board of directors, and the proposal shall be submitted to the board of directors for review and decision. All members of the special committees shall be directors. The audit committee shall consist entirely of non-executive directors, with independent directors forming the majority and an accounting professional among the independent directors serving as the convener. Independent directors shall constitute the majority of the nomination committee and remuneration and appraisal committee, with an independent director serving as the convener. The board of directors shall be responsible for formulating working procedures for the special committees to regulate the operation of special committees.

The board of directors shall consider and approve the following transactions outside the scope of the Company's day-to-day operations within the authorized powers granted by the shareholders' general meeting:

(I) Purchase or sale of assets;

(II) External investment (including entrusted wealth management, investment in subsidiaries, etc.);

(III) Providing financial assistance (including interest-bearing or interest-free loans, entrusted loans, etc.);

(IV) Providing guarantees (including guarantees for its holding subsidiaries, etc.);

(V) Leasing in or out assets;

(VI) Entrusting or being entrusted with the management of assets and business;

(VII) Donating assets or receiving donated assets;

(VIII) Restructuring claims and debts;

(IX) Entering into a license agreement;

(X) Transferring or acquiring research and development projects;

(XI) Waiving rights (including waiving preemptive rights to purchase and preemptive rights to capital subscription, etc.);

(XII) Other transactions that are required to be considered and approved by the board of directors in accordance with the provisions of the securities regulatory authorities and the stock exchange(s) in the place(s) where the Company's shares are listed.

The acquisition or sale of assets mentioned above shall not include the purchase of raw materials, fuels and power, and the sale of products and commodities that are acquisition or sales of assets related to day-to-day operations, but shall include the acquisition or sale of such assets contemplated under the replacement of assets.

The shareholders' general meeting, based on the principle of prudent authorization, grants the board of directors the following mandate to approve the aforementioned transactions:

(I) if the total assets involved in the transaction account for 10% or above of the Company's latest audited total assets (whichever is higher if there exist both a book value and an appraised value);

(II) if the net assets involved in the subject matter of the transaction (i.e. equity) account for 10% or above of the Company's latest audited net assets (whichever is higher if there exist both a book value and an appraised value), and the absolute amount exceeds RMB10 million;

(III) if the transaction amount (including assumed debts and expenses) of the transaction accounts for 10% or above of the listed company's latest audited net assets, and the absolute amount exceeds RMB10 million;

(IV) if the profits arising from the transaction account for 10% or above of the audited net profit of the listed company in the latest accounting year, and the absolute amount exceeds RMB1 million;

(V) if the relevant operating income of the subject matter of the transaction (e.g. equity) in the latest accounting year accounts for 10% or above of the audited operating income of the listed company in the latest accounting year, and the absolute amount exceeds RMB10 million;

(VI) if the relevant net profit of the subject matter of the transaction (e.g. equity) in the latest accounting year accounts for 10% or above of the audited net profit of the listed company in the latest accounting year, and the absolute amount exceeds RMB1 million;

If a number involved in the above indicators is negative, its absolute value shall be taken for the purpose of calculation.

When the Company engages in transactions other than "providing guarantees," "providing financial assistance", or "entrusted wealth management", relevant transactions under the same transaction category shall be cumulatively calculated over a consecutive 12-month period. Transactions for which the Company has already fulfilled the relevant obligations in accordance with the foregoing provisions shall no longer be included in the cumulative calculation.

In addition to the foregoing provisions, if the Company engages in transactions in respect of "purchase or sale of assets", regardless of whether the subject matters of the transaction are related, and if the total assets involved or the transaction value cumulatively exceeds 30% of the Company's latest audited total assets within a consecutive 12-month period, such transactions shall be submitted to the shareholders' general meeting for consideration and approval and require the approval of more than two-thirds of the voting rights held by shareholders present at the meeting.

Where the Company enters into transactions in respect of "financial assistance", such transactions shall be considered and approved by a majority of all directors and by two-thirds or above of the directors present at the board meeting, and shall be disclosed in a timely manner.

Any of the following financial assistances shall be submitted to the shareholders' general meeting for consideration upon approval by the board of directors:

(I) the amount of a single financial assistance exceeds 10% of the Company's latest audited net assets;

(II) the asset liability ratio of the receiver of the financial assistance exceeds 70% according to its latest financial statements;

(III) the accumulative amount of financial assistance in the last 12 months exceeds 10% of the Company's latest audited net assets;

(IV) other circumstances stipulated by the Shanghai Stock Exchange or the Articles of Association.

If the receiver of the financial assistance is a controlling subsidiary of the Company to be consolidated into the Company's financial statements, and the other shareholders of the controlling subsidiary do not include the controlling shareholders, de facto controllers of the Company and their affiliates, the two preceding paragraphs shall be exempted.

For other external guarantees of the Company that do not meet the standards requiring approval by the shareholders' general meeting as stipulated in the Articles of Association, consideration and approval by the board of directors is required. Where the board of directors considers and approves the proposal for relevant external guarantee, it shall be approved by two-thirds or above of the directors attending the meeting in addition to the approval by a majority of all directors.

The chairman and vice chairman of the board of the Company shall be elected or removed by the board of directors with the approval of a majority of all directors.

The chairman of the board shall exercise the following functions and powers:

(I) to preside over shareholders' general meeting and to convene and preside over board meetings;

(II) to supervise and examine the implementation of the resolutions of the board of directors;

(III) to exercise the functions and powers of the legal representative, including but not limited to signing the Company's shares, bonds, or other marketable securities, signing important documents approved by the board of directors or other documents that should be signed by the Company's legal representative;

(IV) to exercise special discretionary power on company affairs in accordance with laws and in the Company's interests in case of emergency such as the occurrence of extreme natural disasters and other force majeure events, and to provide reports to the board of directors and shareholders' general meeting afterwards;

(V) other powers prescribed by laws, regulations, rules, regulatory documents, the Articles of Association, and those granted by the board of directors.

The board of directors shall hold at least four meetings each year, with at least one meeting for each quarter, which shall be convened by the chairman of the board.

Shareholders representing one-tenth or above of the voting rights, and one-third or above of the directors or the audit committee may propose an extraordinary board meeting. The chairman of the board shall convene and preside over a board meeting within ten days after receiving the proposal.

Notice of a board meeting shall be served on all directors fourteen days before the date of the meeting. The notice for convening an extraordinary board meeting shall be given by telephone, fax, email, or other written means. The notice period shall be no less than two days prior to the board meeting. In special circumstances requiring the immediate resolution to be made by the board of directors, an urgent board meeting may be convened immediately provided that one half or above of the directors are present.

The board meeting may be held when a majority of all directors attend the meeting. Resolutions made by the board of directors shall be passed by votes of a majority of all directors. Resolutions of the board of directors are voted by way of poll with each director having one vote.

A director with related relationship with the entities or individuals involved with any matters in the resolution at the board meeting shall not exercise the voting right for the resolution, and the said director shall immediately submit a written report to the board of directors. Such director with related relationship shall not exercise the voting right on behalf of any other directors. The board meeting may be held when more than half of non-related directors attend the meeting. The resolutions of the board meeting shall be passed by votes of more than half of non-related directors. If the number of non-related directors attending the board meetings is less than 3, the matter shall be submitted to the shareholders' general meeting for consideration. When submitting the resolution to the shareholders' general meeting for consideration and approval, the board of directors shall explain its consideration and approval of the resolution and record the opinions of directors without material interests as to the resolution. Where there are any additional restrictions under laws, regulations, or the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed regarding directors' participation in board meetings and voting, such provisions shall also be complied with.

The board resolutions shall be voted on by show of hands, signing a form of open ballot, electronic communication, or other voting methods permitted by laws, regulations, rules, or regulatory documents.

The board meetings shall be attended by the directors in person. If a director cannot attend a meeting for any reason, he may entrust in writing another director to attend the meeting on his behalf. The instrument of entrustment shall specify the name of the entrusted person, the appointed issues, the scope of authority and the valid period, and shall be signed or sealed by the entrusting director. A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority granted. If a director fails to attend a meeting of the board of directors and has not appointed a representative to attend on his behalf, he shall be deemed to have been absent from such board meeting and have waived his voting rights in respect of that meeting. The directors shall sign the board resolutions and shall bear liability for such board resolutions. Where a board resolution is in violation of the law, administrative regulations or the Articles of the Association, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director may be relieved from such liability.

SENIOR MANAGEMENT MEMBERS

The Company may appoint one chief executive officer or two co-chief executive officers as needed, and one president, all of which shall be nominated by the chairman of the board and subject to appointment or dismissal by the board of directors.

The Company may, subject to operational and management requirements, appoint several vice presidents, who shall be nominated by the chief executive officer or co-chief executive officers, and whose qualifications shall be reviewed by the nomination committee of the board of directors, before the board of directors decides their appointment or dismissal.

The chief executive officer, co-chief executive officers, president, principal in charge of finance (including chief financial officer, finance director, etc.), vice presidents, assistants to the president, board secretary, and other personnel designated by the board of directors shall be senior management members of the Company.

Matters submitted by senior management members to the board of directors for approval shall be promptly discussed and decided upon by the board of directors.

The provisions in the Articles of Association in respect of disqualifications for serving as a director, directors' fiduciary duties and due diligence, and resignation management systems shall also apply to senior management members.

Staff of members of the controlling shareholders of the Company who serve administrative positions other than director and supervisor shall not serve as senior management members of the Company. The senior management members shall be only entitled to remuneration to be paid by the Company, and the controlling shareholders shall not pay such remuneration on behalf of the Company.

The chief executive officer or co-chief executive officers and the president each shall serve a term of three years, which is the same as the term of the board of directors of the Company, and may be subject to re-appointment. The chief executive officer or co-chief executive officers are accountable to the board of directors and exercise the following functions and powers:

(I) to be responsible for organizing the formulation of the Company's strategic planning;

(II) to be responsible for maintaining strategic alliances and key investment relationships;

(III) to organize the formulation of the Company's annual investment plan;

(IV) to organize the formulation of the Company's organizational structure;

(V) to be responsible for the construction of the Company's risk management system;

(VI) to be responsible for equity management of the Company's subsidiaries;

(VII) to convene the operations decision-making meetings;

(VIII) to propose to the board of directors the appointment or dismissal of the Company's principal in charge of finance, vice presidents, assistants to the president, and other senior management members; and to submit proposals regarding the salaries, benefits, and incentives and punishment plans for the aforementioned personnel;

(IX) to exercise other functions and powers granted by the Articles of Association or the board of directors of the Company.

The President shall be accountable to the board of directors and exercise the following functions and powers:

(I) to be in charge of the Company's production and operation management, organize the implementation of the board resolutions, and report to the board of directors;

(II) to organize the implementation of the Company's annual operation plan, budget, and investment proposals;

(III) to organize the formulation of the Company's basic management systems;

(IV) to formulate the Company's specific rules and regulations;

(V) to convene and preside over the operations decision-making meetings;

(VI) to decide the salaries, benefits, and incentives and punishment plans for management personnel other than those who shall be decided by the board of directors or the chief executive officer or co-chief executive officers;

(VII) to decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the board of directors or the chief executive officer or co-chief executive officers;

(VIII) to report work to the board of directors;

(IX) to exercise other functions and powers granted by the Articles of Association or the board of directors of the Company.

The principal in charge of finance, vice presidents, assistants to the president, board secretary, and other senior management members each shall serve a term of three years and may be subject to re-appointment. The principal in charge of finance, vice presidents, and assistants to the president and other senior management members shall be appointed or dismissed by the board of directors upon proposal by the chief executive officer or co-chief executive officers. The principal in charge of finance, vice presidents, and assistants to the president shall assist the president in his or her work. When the president is unable to perform his or her duties for any reason, a vice president shall be designated to act on his or her behalf with the approval of the chairman of the board.

The Company shall appoint a board secretary, who is responsible for preparing shareholders' general meeting and board meetings, maintaining documents, managing shareholder information of the Company, handling information disclosure, and other related matters. The board secretary shall comply with relevant laws, administrative regulations, departmental rules, and the Articles of Association.

Where senior management members cause damages to others over the course of performing corporate duties, the Company shall be liable for compensation; where senior management members commit intentional misconduct or gross negligence, they shall also be liable for compensation. Senior management members who violate laws, administrative regulations, departmental rules, or the Articles of Association over the course of performing corporate duties and cause losses to the Company shall be liable for compensation.

Senior management members of the Company shall faithfully perform their duties to safeguard the best interests of the Company and all shareholders. Where failure to faithfully perform duties or breach of fiduciary obligations prejudices the interests of the Company or public shareholders, senior management members shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system according to the laws, administrative regulations, and the departmental rules of the government and stock exchange(s) of the place(s) where the Company's shares are listed. The accounting year of the Company follows the Gregorian calendar, which an accounting year shall commence on January 1 and ends on December 31 of each year.

As for disclosure of periodic reports on A shares of the Company: within four months from the end of each accounting year, the Company shall submit and disclose the annual financial accounting report to the local offices of the CSRC and the Shanghai Stock Exchange; within two months from the end of the first half of each accounting year, the Company shall submit and disclose the interim financial accounting report to the local offices of the CSRC and the Shanghai Stock Exchange.

As for disclosure of periodic reports on H Shares of the Company: periodic reports on H shares of the Company shall include annual reports and interim reports. The Company shall disclose a preliminary announcement of annual results within three months from the end of each accounting year, and shall complete the preparation of and disclose the annual report within four months from the end of each accounting year and at least 21 days before the date of the annual general meeting. The Company shall disclose a preliminary announcement of interim results within two months from the end of the first six months of each accounting year, and shall complete the preparation of and disclose the interim report within three months from the end of the first six months of each accounting year.

The Company shall not maintain separate accounting books apart from the statutory accounting books. The Company's funds shall not be deposited in any account opened under the name of any individual.

When it distributes after-tax profit of the year, the Company shall allocate 10% of its tax profit to the statutory reserve. Where the accumulated statutory reserve of the Company has reached 50% of the Company's registered capital, no allocation is needed. If the Company's statutory reserve is insufficient to cover losses in previous years, the profits of the year shall be used to make up the losses before allocating the statutory reserve in accordance with the preceding paragraph. After withdrawal of statutory reserve from the after-tax profit, other discretionary reserve may be allocated out of the after-tax profits with the resolution approved by shareholders' general meeting. After making up for losses and allocation of reserves, the remaining after-tax profit shall be distributed in proportion according to shares held by shareholders. If the shareholders' general meeting fails to comply with the PRC Company Law and distributes profit to shareholders, shareholders must return the profits distributed; if losses are caused to the company, the shareholders, responsible Directors and senior management members shall be liable for compensation. The shares held by the Company shall not participate in the distribution of profits.

The Company's statutory reserve is used to make up the Company's losses, expand the Company's business or increase the Company's registered capital. Where reserve funds are used to make up for the Company's losses, the discretionary reserve fund and statutory reserve fund should be used first; if the losses still cannot be made up, the capital reserve fund may be used in accordance with the requirements. When statutory reserve is converted into capital, the remaining of such statutory reserve shall not be less than 25% of the registered capital prior to the conversion.

The Company's profit distribution policy is as follows: the Company implements an active profit distribution policy that emphasizes reasonable investment returns for investors. Dividends may be distributed either in cash or shares, with cash dividends being the primary method. Profit distributions, whether in cash, shares, or other forms, shall not exceed the cumulative distributable profits, nor shall the Company's ability to continue as a going concern be impaired. When formulating profit distribution policies, particularly cash dividend policies, the Company shall perform necessary decision-making procedures. When determining and debating profit distribution policies by the board of directors and shareholders' general meeting, opinions from minority shareholders shall be taken into full consideration through multiple channels.

(I) Profit Distribution Principles: the Company implements an active, consistent, and stable profit distribution policy that emphasizes reasonable investment returns for investors while balancing the Company's actual operating conditions and long-term strategic development goals.

(II) Profit Distribution Methods: dividends may be distributed in cash, shares, a combination of cash and shares, or other methods permitted by laws and regulations, with cash dividends being the primary method.

(III) Conditions and Ratio for Cash Dividends:

1. The Company may not distribute dividends under any of the following circumstances:

   (1) the Company does not achieve profitability in the current year;

   (2) the balance of distributable profits at the end of the period is negative or insufficient;

   (3) the net cash flow from operating activities or the balance of cash and cash equivalents at the end of the period is negative;

   (4) the Company has significant investment or cash expenditure plans within the foreseeable next twelve months, and such plans have been disclosed in publicly available documents, where distributing cash dividends may result in the Company's cash flow being insufficient to meet its operational or investment needs.

2. If the Company distributes profits through both cash and stock dividends, while meeting the funding needs for normal production and operations, the Company shall implement a differentiated cash dividend policy:

   (1) if the Company has no major capital expenditure plans within the next twelve months, the proportion of cash dividends in this profit distribution shall be at least 80%;

   (2) if the Company has major capital expenditure plans within the next twelve months, the proportion of cash dividends in this profit distribution shall be at least 40%;

   (3) if the Company has major capital expenditure plans within the next twelve months and there are substantial investment plans or capital expenditure arrangements in the following year, the proportion of cash dividends in this profit distribution shall be at least 20%.

3. Except in circumstances where the Company is permitted to refrain from distributing dividends, the annual cash dividends shall not be less than 10% of the distributable profits realized in that year, and the cumulative profits distributed in cash over the past three years shall not be less than 30% of the average annual distributable profits realized over the past three years. Meanwhile, the annual cash dividend ratio shall not be less than 30% of the core profits attributable to shareholders of the Listed Company for each respective year. The core profit attributable to the shareholders of the Listed Company refers to the net profit attributable to the shareholders of the Listed Company after deducting exchange gains and losses, changes in fair value, other impairment losses, amortization of share incentive costs, net gains from the disposal of non-current assets.

(IV) If the Company achieves profitability in the previous accounting year but the board of directors does not propose an annual cash dividend plan, the board of directors shall disclose in the annual report the reasons for not distributing cash dividends and the intended use of the funds retained in the Company that were not used for cash dividend distribution.

(V) If the Company needs to adjust its profit distribution policy based on its production and operational conditions, investment plans, and long-term development needs, the adjusted profit distribution policy must not violate the relevant regulations of the CSRC and the stock exchange. Any proposal to adjust the profit distribution policy must be reviewed and approved by the board of directors, and then submitted to the shareholders' general meeting for approval.

(VI) Intervals of Profit Distribution: the Company primarily distributes dividends on an annual basis, while the board of directors may also propose interim profit distributions based on circumstances.

(VII) The decision-making mechanism and procedures for the Company's profit distribution policy are as follows:

Any amendments to the Company's profit distribution policy shall be proposed by the board of directors to the shareholders' general meeting. The profit distribution policy proposed by the board of directors requires approval by more than half of the board members. Independent directors may solicit opinions from minority shareholders, propose dividend distribution proposals, and submit them directly to the board of directors for consideration and approval. Prior to the consideration of specific cash dividend proposals by the shareholders' general meeting, the Company shall engage in active communications and exchanges with shareholders, particularly minority shareholders, through multiple channels, fully consider their opinions and demands, and provide timely responses to their concerns.

Any amendments to the Company's profit distribution policy must be submitted to the shareholders' general meeting for consideration and approval. Such amendments require two-thirds or above vote of the voting rights represented by shareholders (including shareholder proxies) present at the shareholders' general meeting. The Company shall also facilitate the participation of minority investors in the shareholders' general meeting through methods such as the stock exchange trading system and internet voting system.

If significant changes occur in the Company's external operating environment or if the existing profit distribution policy affects the Company's ability to continue as a going concern, the Company may adjust its profit distribution policy based on internal and external circumstances. The adjusted profit distribution policy must not violate the relevant regulations of the CSRC and the Shanghai Stock Exchange, and must be centered on the interests of shareholders, with emphasis on protecting investors' interests. Any proposal to adjust the profit distribution policy must first be considered and approved by the board of directors of the Company before being submitted to the shareholders' general meeting of the Company for approval.

(VIII) When the Company distributes cash dividends, if any shareholder has improperly occupied the Company's funds, the Company shall deduct the cash dividends allocated to such shareholders to repay the occupied funds.

(IX) When formulating a specific cash dividend distribution plan, the board of directors shall carefully evaluate and assess factors such as the timing, conditions, and minimum ratio of cash dividends, as well as the conditions for adjustments and the decision-making procedures.

Independent directors may solicit opinions from minority shareholders, propose dividend distribution proposals, and submit them directly to the board of directors for consideration and approval.

The Company shall appoint one or more payment receiving agents in Hong Kong for holders of H Shares. The payment receiving agents shall receive and hold on behalf of such holders of H Shares any dividends allocated to H Shares and other amounts payable by the Company, for future payments to such holders of H Shares. The payment receiving agents appointed by the Company shall comply with laws, regulations and the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed.

Internal Audit

The Company implements an internal audit system that clearly defines the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, accountability mechanisms, and other aspects of internal audit work. The Company's internal audit system is implemented after approval by the board of directors and is publicly disclosed.

The internal audit institution is accountable to the board of directors. During the supervision and inspection of the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall be subject to the oversight and guidance of the audit committee. If the internal audit institution discovers any significant issues or leads, it shall immediately report directly to the audit committee.

Appointment of Accounting Firm

The Company shall engage an accounting firm that complies with the requirements of the Securities Law to perform audits of financial statements, verify net assets, and other related consulting services for a term of one year, which is renewable.

The appointment or dismissal of an accounting firm by the Company shall be determined by the shareholders' general meeting, and the board of directors shall not appoint an accounting firm before the decision is made by the shareholders' general meeting.

The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

The audit fee of an accounting firm shall be determined by the shareholders' general meeting.

NOTICES AND ANNOUNCEMENTS

Notices

Subject to laws, administrative regulations, and the relevant provisions of the stock exchange(s) in the place(s) where the Company's shares are listed, the Company's notices shall be issued in the following manners:

(I) by hand;

(II) by mail;

(III) by making announcement in the Company's website or the websites designated by stock exchange or newspapers in accordance with the laws, regulations and the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed;

(IV) by email;

(V) by fax;

(VI) other means recognized by the Company, or agreed by the recipient of the notice in advance or recognized by the recipient of the notice after receiving such notice;

(VII) other means recognized by the laws, administrative regulations, departmental rules, and the provisions of regulatory authorities of the place where the Company's shares are listed or stated in the Articles of Association.

Unless the context otherwise requires, in relation to an announcement made to holders of A Shares or made within the PRC as required by relevant regulations and the Articles of Association, refers to those published on the website of the Shanghai Stock Exchange and in the media that meets the conditions stipulated by the CSRC (hereinafter referred to as "**Eligible Media**"); for an announcement to holders of H shares or made in Hong Kong in accordance with relevant requirements and the Articles of Association, such announcement must be published on the websites of the Company and the Hong Kong Stock Exchange and such other websites as may be prescribed in the Hong Kong Listing Rules from time to time in accordance with the requirements of the relevant Hong Kong Listing Rules.

For the means by which the Company provides or delivers corporate communications of the Company to the holders of H Shares pursuant to Hong Kong Listing Rules, subject to the provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, and the Articles of Association, such corporate communications may be published on the website designated by the Company and/or the website of the Hong Kong Stock Exchange or by electronic means provided or delivered to the holders of H Shares, in lieu of delivery by hand or by prepaid mail to holders of H Shares.

For the purpose of the foregoing paragraph, communications of the Company shall mean any document delivered or to be delivered by the Company for the reference of any holder of H Shares or other people required in Hong Kong Listing Rules, or for taking any action, including but not limited to annual reports of the Company (including reports of the board of directors and the annual account, audit report and financial summary report (if applicable) of the Company); interim reports and interim summary reports (if applicable) of the Company; notices of meetings; listing documents; circulars; proxy form (the definition of which shall be subject to the listing rules of the stock exchange(s) in the place(s) where the Company's shares are listed). When the power prescribed in the Articles of Association is exercised to deliver notices by announcement, such announcement shall be published by the methods specified in Hong Kong Listing Rules.

Announcements

The Company designates the Eligible Media prescribed by the CSRC, website of the Shanghai Stock Exchange, website of the Hong Kong Stock Exchange (**www.hkexnews.hk**), media/websites recognized by the stock exchange(s) in the place(s) where the Company's shares are listed, or other CSRC-designated information disclosure newspapers as the media for publishing company announcements and other required information for disclosure. For announcements required to be issued to holders of H Shares under the Articles of Association, such announcements shall simultaneously be published in accordance with the methods stipulated in the Hong Kong Listing Rules. The Company designates media/websites recognized by the stock exchange(s) in the place(s) where the Company's shares are listed as the media for publishing company announcements and other required information for disclosure. Information disclosed by the Company through other public media must not precede designated newspapers and websites, and shall not substitute company announcements in the form of press releases or press conferences/interviews.

The board of directors has the authority to adjust the designated media for the Company's information disclosure, provided it ensures such media comply with such qualifications and conditions as stipulated under relevant laws and regulations in Mainland China and Hong Kong, the securities regulatory authorities under the State Council, overseas regulatory authorities, and the provisions of the stock exchange(s) of the place(s) where the Company's shares are listed.

MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Reduction

A merger may take the form of merger by absorption or by establishment of a new company. Merger by absorption refers to a company absorbing another company, in which the company being absorbed shall be dissolved. Merger by establishment of a new company refers to the establishment of a new company by merging two or more companies, whereby the merger parties shall be dissolved.

If the consideration for the merger does not exceed 10% of the Company's net assets, there is no requirement for a resolution of the shareholders' general meeting to be passed; except as otherwise provided in the Articles of Association. If the Company's merges in accordance with the provisions of the preceding paragraphs without a resolution of the shareholders' general meeting, the merger shall be subject to a resolution of the board of directors.

In the event of any merger, the Company shall enter into a merger agreement with other parties involved and prepare a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days after the adoption of the relevant resolution and publish announcements in newspapers or on the National Enterprise Credit Information Publicity System or in the website of the Hong Kong Stock Exchange within 30 days. Creditors may require the Company to repay its debt or provide a corresponding guarantee within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

Upon merger, the surviving company or the newly established company shall assume all creditor's rights and debts of the merger parties.

In the event of division, its assets shall be divided accordingly. In the event of division, the Company shall prepare a balance sheet and an inventory list for its assets, and notify its creditors within 10 days after the adoption of the relevant resolution and publish announcements in newspapers or on the National Enterprise Credit Information Publicity System or in the website of the Hong Kong Stock Exchange within 30 days. Where otherwise required by the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, the relevant provisions shall also be complied with. Unless otherwise agreed by the Company and its creditors in writing prior to the division with respect to the repayment of debts, the succeeding company after the division shall jointly assume the debts of the company which has incurred before such division.

The Company shall prepare a balance sheet and an inventory list for its assets in the event it is required to reduce its registered capital. The Company shall notify its creditors within 10 days after the adoption of the relevant resolution on the reduction of the registered capital at the shareholders' general meeting and publish announcements in newspapers or on the National Enterprise Credit Information Publicity System or in the website of the Hong Kong Stock Exchange within 30 days. The creditors may require the Company to repay its debt or provide corresponding guarantees within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement. The Company shall reduce its registered capital by reducing the amount of capital contribution or shares according to the proportion of shares held by the shareholders, unless otherwise provided by laws or the Articles of Association.

If the Company still has losses after making up losses in accordance with the provisions of the Articles of Association, it may reduce its registered capital to make up losses. If the registered capital is reduced to make up losses, the Company shall not make distributions to shareholders, nor shall it release shareholders from the obligations to make capital contributions or share payments. The Company shall make an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the resolution on the reduction of the registered capital is passed at the shareholders' general meeting. After the Company reduces its registered capital in accordance with the provisions of the preceding paragraph, profit distributions shall not be made until the cumulative amount of statutory and discretionary reserves reaches 50% of the Company's registered capital.

If the registered capital is reduced in violation of the PRC Company Law and other relevant provisions, shareholders shall return the funds received, and the obligations of shareholders to make capital contributions shall be restored if such obligations are reduced or waived; and shareholders and responsible Directors and senior management members who cause losses to the Company shall be liable for compensation.

Dissolution and Liquidation

The Company shall be dissolved for the following circumstances:

(I) the term of operation set out in the Articles of Association expires or the occurrence of other causes of dissolution set out in the Articles of Association;

(II) the shareholders' general meeting resolves to dissolve the Company;

(III) dissolution is required due to merger or division of the Company;

(IV) the Company is revoked of business license, ordered to close or canceled according to law;

(V) in the event of serious difficulties in the operation and management of the Company, and the continued existence of which will cause significant losses to the interests of shareholders and cannot be resolved through other means, shareholders who hold 10% or above of the voting rights of the Company may request the People's Court to dissolve the Company.

If any cause of dissolution stipulated in the preceding paragraph arises, the Company shall make an announcement on the reason for dissolution on the National Enterprise Credit Information Publicity System within 10 days.

If the Company falls under the circumstances as set out in items (I) and (II) above and has not distributed its property to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the shareholders' general meeting. Any amendment to the Articles of Association or resolution of the shareholders' general meeting made in accordance with the provisions of the preceding paragraph shall be approved by two-thirds or above of the voting rights held by the shareholders attending the shareholders' general meeting.

If the Company is dissolved as a result of items (I), (II), (IV) and (V) above, it shall be liquidated. The Directors, as the obligor of the Company's liquidation, shall form a liquidation committee to carry out the liquidation within 15 days from the date when the cause of dissolution arises. The liquidation committee shall comprise the Directors, unless otherwise provided for in the Articles of Association or the shareholders' general meeting resolves to elect another person. If the liquidation obligor fails to fulfill its liquidation obligations in time and causes losses to the Company or creditors, it shall be liable for compensation.

The liquidation committee shall exercise the following functions and powers during liquidation:

(I) thoroughly examining the assets of the Company and preparing a balance sheet and a schedule of assets respectively;

(II) notifying the creditors by a notice or public announcement;

(III) handling the outstanding business of the Company in connection with liquidation;

(IV) repaying all outstanding tax payment and the tax payment which arise in the course of the liquidation process;

(V) clearing claims and debts;

(VI) distributing the remaining assets after full payment of the Company's debts;

(VII) participating in civil litigation on behalf of the Company.

The liquidation committee shall notify the creditors within 10 days from the date it is established, and publish relevant announcements in newspapers or on the National Enterprise Credit Information Publicity System or in the website of the Hong Kong Stock Exchange within 60 days. Creditors shall, within 30 days since the date of receiving the notice, or creditors who do not receive the notice shall, within 45 days from the date of the announcement, report their creditors' rights to the liquidation committee. When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to the creditor's rights and provide the supporting evidence. The liquidation committee shall register the creditors' rights. In the course of reporting the creditors' rights, the liquidation committee shall not repay the creditors.

After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and schedule of assets, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or the People's Court for confirmation. The remaining property of the Company after paying the liquidation expenses, wages owed to employees of the Company, labor insurance fees and statutory compensation, outstanding taxes and debts of the Company shall be distributed in proportion to the number of shares held by shareholders. During the liquidation period, the Company still exists but shall not carry out any business activities not related to liquidation. The property of the Company shall not be distributed to the shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

If the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and schedule of assets, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to the People's Court for bankruptcy and liquidation in accordance with the laws. After the People's Court accepts the application of the Company for bankruptcy, the Company's liquidation committee shall refer the liquidation matters to the bankruptcy administrator appointed by the People's Court.

Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, submit the same to the shareholders' general meeting or the People's Court for confirmation, then deliver the same to the Company's registration authority for cancellation of the Company's registration.

If the Company is declared bankrupt according to law, the bankruptcy liquidation shall be implemented in accordance with the laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

(I) following the amendment in the PRC Company Law or the relevant laws, administrative regulations and provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed, the matters stipulated in the Articles of Association contradict provisions of the amended laws, administrative regulations and provisions of the securities regulatory authorities and stock exchange(s) of the place(s) where the Company's shares are listed;

(II) change in the condition of the Company which makes it inconsistent with the content sets out in the Articles of Association;

(III) the shareholders' general meeting decides to amend the Articles of Association.

Where approval from the competent authority is required for the amendments to the Articles of Association resolved by the shareholders' general meeting, such amendments shall be submitted to the competent authority for approval. If amendments to the Articles of Association involves particulars of the Company's registration, changes shall be made to the registration in accordance with the laws.

The board of directors shall amend the Articles of Association in accordance with the resolutions of the shareholders' general meeting and the opinion of the relevant competent authorities on any amendment hereto.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was a joint stock company incorporated under the laws of the PRC on December 29, 1992.

Our Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●], and has established a place of business in Hong Kong at Rooms 3101–04, 31st Floor, Tower 1, Lippo Centre, No. 89 Queensway, Hong Kong. Ms. LEUNG Mui Yin has been appointed as our authorized representative for the acceptance of service of process in Hong Kong.

As our Company is incorporated in the PRC, its corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of the Articles of Association of the Company is set out in Appendix V to this Document. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in Appendix IV to this Document.

2. Changes in Share Capital of our Company

Save as disclosed below, there has been no alteration in our share capital within the two years immediately preceding the date of this Document:

Repurchase and Cancellation of Restricted Shares in March 2025

At the 12th meeting of the tenth session of the Board of Directors and the 10th meeting of the tenth session of the supervisory committee of the Company convened on December 22, 2023, as well as the 2024 first extraordinary general meeting on April 8, 2024, the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Scheme was considered and approved, and a total of 782,500 restricted shares under the initial grant and reserved grant were repurchased and cancelled. At the 16th meeting of the tenth session of the Board of Directors and the 13th meeting of the tenth session of the supervisory committee of the Company convened on June 17, 2024, as well as the 2023 annual general meeting held on June 27, 2024, the Proposal on the Repurchase and Cancellation of Certain Restricted Shares under the 2021 Restricted Share Incentive Scheme was considered and approved, and a total of 527,500 restricted shares under the initial grant and reserved grant were repurchased and cancelled. On March 10, 2025, the Company completed the registration procedures for company change, and the total share capital was changed to 3,097,087,607 shares.

For details of other major changes in our share capital, see "History and Corporate Structure" of this Document.

Immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization (assuming there are no other changes to the issued share capital of the Company and ENN Energy and holdings of our Shares and ENN Energy Shares between the Latest Practicable Date and the [**REDACTED**]), our Company's Shares will be increased to approximately [**REDACTED**] Shares (comprising 3,097,087,607 A Shares and [**REDACTED**] H Shares fully paid up or credited as fully paid up, representing approximately [**REDACTED**] and [**REDACTED**] of our registered capital, respectively).

3. Changes in Share Capital of our Major Subsidiaries

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within the two years immediately preceding the date of this Document. For details, see "Waivers — Waiver in relation to the Particulars of Information of Our Subsidiaries" in this Document.

The following alterations in the registered capital of our Major Subsidiaries have taken place within the two years preceding the date of this Document:

1. ENN Energy is a company listed on the Hong Kong Stock Exchange before completion of the Privatization. Therefore, shares of ENN Energy have been traded publicly during the two years preceding the date of this Document.

2. In June and July 2023, June and September 2024 and on March 28 and 31, May 14 and 27, and June 4, 2025, ENN Energy issued 94,000, 20,000, 2,900, 2,000, 2,000, 3,000, 500, 100 and 10,000 new shares, respectively, as a result of exercise of share options granted under the ENN Energy 2012 Share Option Scheme.

3. On September 26, 2023, Haomaiqi increased its registered capital by approximately RMB102 million to approximately RMB230 million.

4. On December 18, 2023, Haomaiqi increased its registered capital by RMB50 million to approximately RMB280 million.

5. On December 20, 2024, Xindi Energy increased its registered capital by RMB3 million to approximately RMB303 million. On the same day, the shareholders of Xindi Energy, being ENN Tianjin (a wholly-owned subsidiary of the Company) and Xinneng (Langfang) Energy and Chemical Technology Services Limited (新能(廊坊)能源化工技術服務有限公司), paid RMB300 million and approximately RMB3 million in cash respectively for the share capital it held in Xindi Energy.

6. On December 19, 2023, Ningbo Chengji Energy Trading Company Limited (寧波城際能源貿易有限公司) increased its registered capital by RMB45 million to RMB50 million.

Save as disclosed above, there has been no other alteration in the share capital of any of the Major Subsidiaries of our Company within the two years immediately preceding the date of this Document.

4. The Shareholders' General Meeting of the Company Held on May 28, 2025

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on May 28, 2025, it was resolved, among others, and the following was approved:

(a) subject to satisfaction of various conditions in relation to the [**REDACTED**] and the Privatization, the issue by our Company of H Shares of nominal value of RMB1.00 each as consideration for the cancellation of the Scheme Shares and such H Shares being listed on the Stock Exchange;

(b) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the [**REDACTED**], the Privatization, and the issue and [**REDACTED**] of the H Shares; and

(c) subject to the completion of the [**REDACTED**] and the Privatization, the Articles effective on the [**REDACTED**] has been adopted, and the Board has been authorized to amend the Articles in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

5. Repurchase Mandate

We intend to seek a Shareholders' general mandate in due course to authorize our Directors to repurchase H Shares on the Stock Exchange after completion of the [**REDACTED**].

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract(s)

We have entered into the following material contract(s) (not being contracts entered into in the ordinary course of business) within two years preceding the date of this Document which are or may be material:

(a) [the sponsor's agreement entered into between our Company and the Sole Sponsor on [●] in relation to the [**REDACTED**]].

2. Our Intellectual Property Rights

(a) Trademarks

(i) Registered Trademarks

As of December 31, 2024, we had the following registered trademarks in the PRC which we consider to be or may be material to our business:

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
1 . . .	e家智主	75560871	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	14	2024.06.21-2034.06.20
2 . . .	e家智主	75575056	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	34	2024.06.14-2034.06.13
3 . . .	e家智主	75559781	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	5	2024.06.14-2034.06.13
4 . . .	e家智主	75566431	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	28	2024.06.14-2034.06.13
5 . . .	e家智主	75576162	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	38	2024.06.14-2034.06.13
6 . . .	e家智主	75578090	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	33	2024.06.14-2034.06.13
7 . . .	e家智主	75577238	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	12	2024.06.14-2034.06.13
8 . . .	e家智主	75563506	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2024.06.21-2034.06.20
9 . . .	e家智主	75574924	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	13	2024.06.21-2034.06.20
10. . .	e家智主	75567991	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	18	2024.06.21-2034.06.20
11. . .	e家智主	75578592	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	4	2024.06.14-2034.06.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
12. . .	e家智主	75568894	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	26	2024.06.14-2034.06.13
13. . .	e家智主	75577340	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	44	2024.06.14-2034.06.13
14. . .	e家智主	75576621	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	5	2024.06.14-2034.06.13
15. . .	e家智主	75566047	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	3	2024.06.14-2034.06.13
16. . .	e家智主	75574653	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2024.06.14-2034.06.13
17. . .	e家智主	75580662	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2024.06.14-2034.06.13
18. . .	e家智主	75578238	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	39	2024.06.14-2034.06.13
19. . .	e家智主	75558833	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2024.06.14-2034.06.13
20. . .	e家智主	75570473	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2024.06.14-2034.06.13
21. . .	e家智主	75581169	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	3	2024.06.21-2034.06.20
22. . .	e家智主	75572691	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	4	2024.06.21-2034.06.20
23. . .	e家智主	75582960	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	2	2024.06.21-2034.06.20
24. . .	e家智主	75564293	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	29	2024.06.14-2034.06.13
25. . .	e家智主	75575058	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	16	2024.06.14-2034.06.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
26. . .	e家智主	75580700	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	32	2024.06.14-2034.06.13
27. . .	e家智主	75571449	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	1	2024.06.14-2034.06.13
28. . .	e家智主	75577301	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	20	2024.08.21-2034.08.20
29. . .	e家智主	75576171	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2024.06.14-2034.06.13
30. . .	e家智主	75572124	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	15	2024.06.14-2034.06.13
31. . .	e家智主	75559567	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	24	2024.06.14-2034.06.13
32. . .	e家智主	75560903	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2024.06.14-2034.06.13
33. . .	e家智主	75575885	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	6	2024.06.14-2034.06.13
34. . .	e家智主	75570475	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	13	2024.06.14-2034.06.13
35. . .	e家智主	75575037	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	10	2024.06.14-2034.06.13
36. . .	e家智主	75574634	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	34	2024.06.14-2034.06.13
37. . .	e家智主	75566384	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	27	2024.06.14-2034.06.13
38. . .	e家智主	75566430	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2024.06.14-2034.06.13
39. . .	e家智主	75580687	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	14	2024.06.14-2034.06.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
40. . .	e家智主	75571404	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	40	2024.06.14-2034.06.13
41. . .	e家智主	75575780	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	41	2024.06.14-2034.06.13
42. . .	e家智主	75563561	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	43	2024.09.07-2034.09.06
43. . .	e家智主	75566084	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2024.06.14-2034.06.13
44. . .	e家智主	75558829	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	12	2024.06.14-2034.06.13
45. . .	e家智主	75563605	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	33	2024.06.14-2034.06.13
46. . .	e家智主	75577598	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	1	2024.06.21-2034.06.20
47. . .	e家智主	75572096	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2024.06.14-2034.06.13
48. . .	e家智主	75559445	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	16	2024.06.21-2034.06.20
49. . .	e家智主	75563611	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	18	2024.06.14-2034.06.13
50. . .	e家智主	75580599	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	23	2024.06.14-2034.06.13
51. . .	e家智主	75566321	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	22	2024.06.14-2034.06.13
52. . .	e家智主	75563615	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	19	2024.06.14-2034.06.13
53. . .	e家智主	75568951	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	22	2024.06.14-2034.06.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
54. . .	e家智主	75581770	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	26	2024.06.14-2034.06.13
55. . .	e家智主	75578274	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	29	2024.06.14-2034.06.13
56. . .	e家智主	75578616	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	6	2024.06.14-2034.06.13
57. . .	e家智主	75564954	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	38	2024.06.14-2034.06.13
58. . .	e家智主	75559596	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	25	2024.06.14-2034.06.13
59. . .	e家智主	75566423	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	30	2024.06.14-2034.06.13
60. . .	e家智主	75560865	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2024.09.07-2034.09.06
61. . .	e家智主	75576071	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	15	2024.06.14-2034.06.13
62. . .	e家智主	75566090	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	40	2024.06.14-2034.06.13
63. . .	e家智主	75581766	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	25	2024.06.14-2034.06.13
64. . .	e家智主	75578525	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	39	2024.06.14-2034.06.13
65. . .	e家智主	75579154	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	19	2024.06.21-2034.06.20
66. . .	e家智主	75561234	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2024.08.28-2034.08.27
67. . .	e家智主	75562796	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	28	2024.06.14-2034.06.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
68. . .	e家智主	75565003	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2024.06.14-2034.06.13
69. . .	e家智主	75562826	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	31	2024.06.14-2034.06.13
70. . .	e家智主	75577344	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	43	2024.06.14-2034.06.13
71. . .	e家智主	75582082	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	20	2024.06.14-2034.06.13
72. . .	e家智主	75570308	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	17	2024.06.21-2034.06.20
73. . .	e家智主	75582199	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2024.08.21-2034.08.20
74. . .	e家智主	75574619	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	32	2024.06.14-2034.06.13
75. . .	e家智主	75569150	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	10	2024.06.14-2034.06.13
76. . .	e家智主	75578291	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	24	2024.06.14-2034.06.13
77. . .	e家智主	75563588	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	2	2024.06.14-2034.06.13
78. . .	e家智主	75570494	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	31	2024.06.14-2034.06.13
79. . .	e家智主	75581774	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	27	2024.06.14-2034.06.13
80. . .	e家智主	75578240	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2024.06.14-2034.06.13
81. . .	e家智主	75578230	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	41	2024.06.14-2034.06.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
82. . .	e家智主	75577686	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	30	2024.06.14-2034.06.13
83. . .	e家智主	75573775	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	17	2024.06.14-2034.06.13
84. . .	e家智主	75564939	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2024.06.14-2034.06.13
85. . .	e家智主	75577357	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	23	2024.06.14-2034.06.13
86. . .	e家智主	75578542	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2024.09.21-2034.09.20
87. . .	e家智主	75565231	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2024.10.28-2034.10.27
88. . .	e城e家	75143858	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	32	2024.05.14-2034.05.13
89. . .	e城e家	75141667	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	39	2024.08.07-2034.08.06
90. . .	e城e家	75144074	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	40	2024.05.14-2034.05.13
91. . .	东西集e城e家	74012194	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2024.03.21-2034.03.20
92. . .	东西集e城e家	73994242	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2024.03.21-2034.03.20
93. . .	e城e家·服务场	73787923	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2024.02.21-2034.02.20
94. . .	e城e家·服务场	73774444	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2024.02.21-2034.02.20
95. . .	e城e家·东西集	72610013	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2023.12.21-2033.12.20

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
96. . .	e城e家·东西集	72631971	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2023.12.28-2033.12.27
97. . .	e家e城	68014539	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2023.05.14-2033.05.13
98. . .	e家e城	68006206	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2024.04.21-2034.04.20
99. . .	e城e家	63074133	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2022.11.28-2032.11.27
100 . .	一家食刻	55917963	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	30	2022.02.14-2032.02.13
101 . .	怡城泉	46350607	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2021.01.21-2031.01.20
102 . .	数信传薪	44714986	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2020.11.21-2030.11.20
103 . .	数信格瑞院	44714984	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	41	2020.11.07-2030.11.06
104 . .	鸣信	44714983	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2020.11.07-2030.11.06
105 . .	传薪	44714987	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2021.01.28-2031.01.27
106 . .	恩纽诚服	44200200	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	25	2020.10.14-2030.10.13
107 . .	恩纽诚服	44200198	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	27	2020.10.14-2030.10.13
108 . .	恩纽诚服	44200221	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	3	2020.10.14-2030.10.13
109 . .	恩纽诚服	44200220	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	4	2020.10.14-2030.10.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
110 . .	恩纽诚服	44200205	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	20	2020.10.14-2030.10.13
111 . .	恩纽诚服	44200189	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2020.10.14-2030.10.13
112 . .	恩纽诚服	44200208	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	17	2020.10.14-2030.10.13
113 . .	恩纽诚服	44200197	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	28	2020.10.14-2030.10.13
114 . .	恩纽诚服	44200192	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	33	2020.10.14-2030.10.13
115 . .	恩纽诚服	44200216	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2020.10.14-2030.10.13
116 . .	恩纽诚服	44200212	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	13	2020.10.14-2030.10.13
117 . .	恩纽诚服	44200214	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2020.10.14-2030.10.13
118 . .	恩纽诚服	44200202	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	23	2020.10.14-2030.10.13
119 . .	恩纽诚服	44200210	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	15	2020.10.14-2030.10.13
120 . .	恩纽诚服	44200195	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	30	2020.10.14-2030.10.13
121 . .	恩纽诚服	44200215	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	10	2020.10.14-2030.10.13
122 . .	恩纽诚服	44200211	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	14	2020.10.14-2030.10.13
123 . .	恩纽诚服	44200218	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	6	2021.01.28-2031.01.27

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
124 . .	恩纽诚服	44200222	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	2	2020.10.14-2030.10.13
125 . .	恩纽诚服	44200217	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2020.11.21-2030.11.20
126 . .	恩纽诚服	44200223	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	1	2020.10.14-2030.10.13
127 . .	恩纽诚服	44200194	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	31	2020.10.14-2030.10.13
128 . .	恩纽诚服	44200207	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	18	2020.10.14-2030.10.13
129 . .	恩纽诚服	44200196	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	29	2020.10.14-2030.10.13
130 . .	恩纽诚服	44200209	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	16	2020.10.14-2030.10.13
131 . .	恩纽诚服	44200190	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	40	2020.10.14-2030.10.13
132 . .	恩纽诚服	44200193	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	32	2020.10.14-2030.10.13
133 . .	恩纽诚服	44200191	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	34	2020.10.14-2030.10.13
134 . .	恩纽诚服	44200206	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	19	2020.10.14-2030.10.13
135 . .	恩纽诚服	44200204	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2020.10.14-2030.10.13
136 . .	恩纽诚服	44200199	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	26	2020.10.14-2030.10.13
137 . .	恩纽诚服	44200201	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	24	2020.10.14-2030.10.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
138 . .	恩纽诚服	44200219	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	5	2020.10.14-2030.10.13
139 . .	恩纽诚服	44200203	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	22	2020.10.14-2030.10.13
140 . .	恩纽诚服	44200213	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	12	2020.10.14-2030.10.13
141 . .		39925312	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	34	2020.03.14-2030.03.13
142 . .		39925315	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	10	2020.03.14-2030.03.13
143 . .	e城e家	39925224	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2020.05.28-2030.05.27
144 . .	e城e家	39925222	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	34	2020.03.14-2030.03.13
145 . .	e城e家	39925223	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2020.03.14-2030.03.13
146 . .		39925313	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2020.03.14-2030.03.13
147 . .		39925316	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2020.03.14-2030.03.13
148 . .	e城e家	39925225	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	10	2020.03.14-2030.03.13
149 . .		39925318	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2020.03.14-2030.03.13
150 . .	e城e家	39925226	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2020.06.21-2030.06.20
151 . .		39925314	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2020.03.14-2030.03.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
152 . .	e城e家	39925228	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2020.03.14-2030.03.13
153 . .		39925317	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2020.03.14-2030.03.13
154 . .	e城e家	39925227	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2020.03.14-2030.03.13
155 . .	e城e家	37075775	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2020.05.14-2030.05.13
156 . .	数民安	32401923	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2019.06.07-2029.06.06
157 . .	数民信	32401931	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	38	2019.06.07-2029.06.06
158 . .	数民信	32401933	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2019.06.07-2029.06.06
159 . .	数民安	32401922	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2019.06.07-2029.06.06
160 . .	数民安	32401925	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2019.06.07-2029.06.06
161 . .	数民信	32401929	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2019.06.07-2029.06.06
162 . .	数民信	32401934	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2019.06.07-2029.06.06
163 . .	数民信	32401932	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2019.06.07-2029.06.06
164 . .	数民安	32401927	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2019.06.07-2029.06.06
165 . .	数民安	32401926	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2019.06.07-2029.06.06

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
166 . .	数民信	32401935	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2019.06.07-2029.06.06
167 . .	数民安	32401924	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	38	2019.06.07-2029.06.06
168 . .	数民信	32401930	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2019.06.14-2029.06.13
169 . .	数民安	32401928	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2019.06.07-2029.06.06
170 . .	e城e家	30547539	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2019.04.28-2029.04.27
171 . .		30547524	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	10	2019.02.14-2029.02.13
172 . .		30547506	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	28	2019.02.14-2029.02.13
173 . .		30547497	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	39	2019.02.14-2029.02.13
174 . .		30547499	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2019.02.14-2029.02.13
175 . .		30547505	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	29	2019.02.14-2029.02.13
176 . .		30547492	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2019.02.14-2029.02.13
177 . .		30547532	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	2	2019.02.14-2029.02.13
178 . .		30547523	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2019.02.14-2029.02.13
179 . .		30547525	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2019.02.14-2029.02.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
180 . .		30547503	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	31	2019.02.14-2029.02.13
181 . .		30547500	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	34	2019.02.14-2029.02.13
182 . .		30547511	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	23	2019.02.14-2029.02.13
183 . .		30547494	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	43	2019.02.14-2029.02.13
184 . .		30547509	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	25	2019.02.14-2029.02.13
185 . .		30547507	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	27	2019.02.14-2029.02.13
186 . .		30547510	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	24	2019.02.14-2029.02.13
187 . .		30547508	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	26	2019.02.14-2029.02.13
188 . .		30547495	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	41	2019.02.14-2029.02.13
189 . .	e城企家	30547534	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	41	2019.04.28-2029.04.27
190 . .		30547498	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	38	2019.02.14-2029.02.13
191 . .	e城e家	30547536	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2019.02.14-2029.02.13
192 . .		30547520	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	14	2019.02.14-2029.02.13
193 . .		30547531	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	3	2019.02.14-2029.02.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
194 . .		30547521	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	13	2019.02.14-2029.02.13
195 . .		30547522	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	12	2019.02.14-2029.02.13
196 . .		30547504	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	30	2019.02.14-2029.02.13
197 . .		30547515	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	19	2019.02.14-2029.02.13
198 . .		30547512	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	22	2019.02.14-2029.02.13
199 . .		30547527	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2019.02.14-2029.02.13
200 . .		30547501	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	33	2019.02.14-2029.02.13
201 . .		30547519	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	15	2019.02.14-2029.02.13
202 . .		30547517	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	17	2019.02.14-2029.02.13
203 . .		30547514	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	20	2019.02.14-2029.02.13
204 . .		30547516	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	18	2019.02.14-2029.02.13
205 . .		30547528	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	6	2019.02.14-2029.02.13
206 . .		30547513	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2019.02.14-2029.02.13
207 . .		30547518	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	16	2019.02.14-2029.02.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
208 . .		30547533	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	1	2019.02.14-2029.02.13
209 . .		30547526	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2019.02.14-2029.02.13
210 . .		30547493	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	44	2019.02.14-2029.02.13
211 . .		30547502	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	32	2019.02.14-2029.02.13
212 . .		30547496	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	40	2019.02.14-2029.02.13
213 . .	e城e家	30547537	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2019.02.14-2029.02.13
214 . .		30547530	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	4	2019.02.14-2029.02.13
215 . .		30547529	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	5	2019.02.14-2029.02.13
216 . .	e城e家	29262082	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2019.04.07-2029.04.06
217 . .	e城e家	29262080	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2019.01.07-2029.01.06
218 . .	e城e家	29262081	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	20	2019.01.07-2029.01.06
219 . .	e城e家	29262083	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2019.01.07-2029.01.06
220 . .	e城	29262079	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2019.04.07-2029.04.06
221 . .	一城一家	24359947	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2018.10.21-2028.10.20

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
222 . .	e城e家 95158	24358257	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	26	2018.06.07-2028.06.06
223 . .	e城e家 95158	24359152	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	34	2018.06.14-2028.06.13
224 . .	e城e家	24360409	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	40	2018.06.14-2028.06.13
225 . .	e城e家	24358849	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	29	2018.09.07-2028.09.06
226 . .	一城一家	24360904	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2018.09.14-2028.09.13
227 . .	e城e家	24357334	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	25	2018.05.21-2028.05.20
228 . .	e城e家 95158	24358054	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	25	2018.06.07-2028.06.06
229 . .	e城e家 95158	24361418	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2018.06.28-2028.06.27
230 . .	一城一家	24361211	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2018.09.07-2028.09.06
231 . .	一城一家	24360573	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	40	2018.06.14-2028.06.13
232 . .	e城e家 95158	24361029	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	43	2018.09.14-2028.09.13
233 . .	e城e家	24357568	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2018.05.28-2028.05.27
234 . .	e城e家	24357781	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	22	2018.06.14-2028.06.13
235 . .	e城e家 95158	24357570	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	23	2018.05.28-2028.05.27

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
236 . .	一城一家	24357322	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	25	2018.05.21-2028.05.20
237 . .	e城e家 95158	24358711	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	30	2018.09.07-2028.09.06
238 . .	e城e家	24357402	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	20	2018.05.28-2028.05.27
239 . .	e城e家 95158	24359612	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	39	2018.09.07-2028.09.06
240 . .	e城e家 95158	24357560	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2018.05.28-2028.05.27
241 . .	e城e家 95158	24357873	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	24	2018.09.14-2028.09.13
242 . .	e城e家 95158	24359091	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	31	2018.09.07-2028.09.06
243 . .	e城e家	24359401	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	34	2018.05.21-2028.05.20
244 . .	e城e家 95158	24357561	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	27	2018.05.28-2028.05.27
245 . .	e城e家 95158	24359946	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	40	2018.06.07-2028.06.06
246 . .	e城e家	24361091	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	44	2018.07.14-2028.07.13
247 . .	e城e家 95158	24359624	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2018.09.07-2028.09.06
248 . .	e城e家 95158	24360971	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2018.06.07-2028.06.06
249 . .	一城一家	24359236	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	32	2018.07.14-2028.07.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
250 . .	e城e家	24357680	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	23	2018.05.28-2028.05.27
251 . .	e城e家	24359656	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	39	2018.09.07-2028.09.06
252 . .	e城e家 95158	24358875	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	29	2018.09.07-2028.09.06
253 . .	一城一家	24360500	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	39	2018.09.14-2028.09.13
254 . .	一城一家	24358083	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	24	2018.09.07-2028.09.06
255 . .	e城e家	24358571	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	27	2018.05.28-2028.05.27
256 . .	e城e家 95158	24359209	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	38	2018.11.14-2028.11.13
257 . .	一城一家	24358824	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	29	2018.09.07-2028.09.06
258 . .	一城一家	24358686	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	28	2018.05.21-2028.05.20
259 . .	e城e家 95158	24357621	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	22	2018.05.28-2028.05.27
260 . .	e城e家	24359433	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	33	2018.05.28-2028.05.27
261 . .	e城e家 95158	24358620	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	28	2018.05.21-2028.05.20
262 . .	e城e家	24361190	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	45	2018.05.28-2028.05.27
263 . .	e城e家	24358237	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	31	2018.10.21-2028.10.20

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
264 . .	一城一家	24357418	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	26	2018.05.21-2028.05.20
265 . .	e城e家	24358387	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	26	2018.06.07-2028.06.06
266 . .	e城e家 95158	24359350	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	32	2018.06.21-2028.06.20
267 . .	e城e家 95158	24361125	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	44	2018.05.28-2028.05.27
268 . .	e城e家	24358073	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	24	2018.09.07-2028.09.06
269 . .	e城e家	24359117	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	30	2018.09.07-2028.09.06
270 . .	e城e家	24357535	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	19	2018.09.07-2028.09.06
271 . .	一城一家	24357152	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	19	2018.09.07-2028.09.06
272 . .	e城e家	24359178	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	38	2018.05.21-2028.05.20
273 . .	e城e家 95158	24359325	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	33	2018.05.28-2028.05.27
274 . .	一城一家	24359905	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	38	2018.05.21-2028.05.20
275 . .	一城一家	24357715	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	21	2018.05.28-2028.05.27
276 . .	e城e家	24359364	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	32	2018.06.14-2028.06.13
277 . .	e城e家 95158	24358751	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2018.09.07-2028.09.06

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
278 . .	e城e家 95158	24359790	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2018.09.07-2028.09.06
279 . .	e城e家	24358518	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	28	2018.06.14-2028.06.13
280 . .	e城e家	24360509	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	43	2018.09.07-2028.09.06
281 . .	e城e家	24359013	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2018.09.07-2028.09.06
282 . .	e城e家 95158	24357861	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	20	2018.06.14-2028.06.13
283 . .	e城e家 95158	24357525	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	19	2018.09.14-2028.09.13
284 . .	一城一家	24337270	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2018.05.21-2028.05.20
285 . .	一城一家	24336359	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	4	2018.09.07-2028.09.06
286 . .	e城e家 95158	24339201	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	18	2018.09.07-2028.09.06
287 . .	一城一家	24335520	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	1	2018.09.07-2028.09.06
288 . .	e城e家 95158	24339041	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	14	2018.05.28-2028.05.27
289 . .	e城e家 95158	24339647	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	17	2018.06.21-2028.06.20
290 . .	一城一家	24336499	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	5	2018.09.14-2028.09.13
291 . .	e城e家	24336447	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	5	2018.05.28-2028.05.27

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
292 . .	一城一家	24336961	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2018.09.14-2028.09.13
293 . .	e城e家 95158	24335747	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	3	2018.05.28-2028.05.27
294 . .	e城e家 95158	24337773	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	10	2018.05.28-2028.05.27
295 . .	e城e家 95158	24337901	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	12	2018.08.14-2028.08.13
296 . .	一城一家	24336849	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	6	2018.05.28-2028.05.27
297 . .	e城e家	24336260	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	6	2018.06.07-2028.06.06
298 . .	e城e家	24337911A	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2018.07.28-2028.07.27
299 . .	e城e家	24336908	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2018.06.14-2028.06.13
300 . .	e城e家	24339094	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	17	2018.06.21-2028.06.20
301 . .	e城e家	24337187	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	10	2018.05.21-2028.05.20
302 . .	e城e家 95158	24336552	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	4	2018.06.07-2028.06.06
303 . .	e城e家	24337910	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	12	2018.09.07-2028.09.06
304 . .	e城e家 95158	24337048	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	7	2018.05.28-2028.05.27
305 . .	e城e家 95158	24339436	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	16	2018.09.07-2028.09.06

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
306 . .	一城一家	24335806	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	3	2018.05.28-2028.05.27
307 . .	e城e家	24335951	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	1	2018.05.28-2028.05.27
308 . .	e城e家 95158	24336907	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	6	2018.06.14-2028.06.13
309 . .	e城e家 95158	24336006	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	5	2018.06.07-2028.06.06
310 . .	e城e家	24336313	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	2	2018.05.28-2028.05.27
311 . .	e城e家 95158	24337039	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2018.05.28-2028.05.27
312 . .	e城e家 95158	24337420	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2018.11.28-2028.11.27
313 . .	e城e家	24337055	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	8	2018.06.07-2028.06.06
314 . .	一城一家	24337294	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2018.05.21-2028.05.20
315 . .	e城e家 95158	24338170	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	13	2018.06.07-2028.06.06
316 . .	e城e家	24339107	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	14	2018.05.21-2028.05.20
317 . .	e城e家 95158	24335948	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	1	2018.06.07-2028.06.06
318 . .	e城e家 95158	24339332	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	15	2018.06.21-2028.06.20
319 . .	e城e家	24336424	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	3	2018.06.07-2028.06.06

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
320 . .	e城e家 95158	24336148	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	2	2018.06.07-2028.06.06
321 . .	e城e家	24339223	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	15	2018.05.21-2028.05.20
322 . .	e城e家 95158	24337791A	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	11	2018.07.21-2028.07.20
323 . .	e城e家	24339740	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	18	2019.04.07-2029.04.06
324 . .	e城e家	24339336	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	16	2018.09.07-2028.09.06
325 . .	e城e家	24336534	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	4	2018.06.07-2028.06.06
326 . .	小黃人	23747572	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	37	2018.07.28-2028.07.27
327 . .	小黃人	23747587	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2018.07.28-2028.07.27
328 . .	e城e家	20698045A	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2017.10.07-2027.10.06
329 . .		20698162	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2017.09.14-2027.09.13
330 . .		20698220	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2017.09.14-2027.09.13
331 . .	e城e家	20698024	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2017.09.14-2027.09.13
332 . .	e城e家	20698037	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2018.08.28-2028.08.27
333 . .		20698197	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2017.09.14-2027.09.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
334 . .		20698219	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2017.09.14-2027.09.13
335 . .	e城e家	20697971	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2017.09.14-2027.09.13
336 . .		15818707	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2016.02.21-2026.02.20
337 . .		15818630	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2016.02.14-2026.02.13
338 . .		15818501	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2016.02.14-2026.02.13
339 . .		15818604	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2016.02.14-2026.02.13
340 . .		15590610	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2016.11.07-2026.11.06
341 . .		15590763	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	42	2015.12.14-2025.12.13
342 . .		15590692	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	36	2016.07.28-2026.07.27
343 . .		15590590	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	9	2015.12.14-2025.12.13
344 . .	e城e家	20698045	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2020.02.21-2030.02.20
345 . .	e城e家	80255303	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	35	2025.01.28-2035.01.27
346 . .	多能惠家	67975301	ENN China	35	2023.06.14-2033.06.13
347 . .	智联优家	67996131	ENN China	11	2024.06.14-2034.06.13
348 . .	智联优家	67983202	ENN China	6	2023.08.14-2033.08.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
349 . .	智联优家	67996054	ENN China	7	2023.06.14-2033.06.13
350 . .	智联优家	67995967	ENN China	12	2023.06.14-2033.06.13
351 . .	智联优家	67996085	ENN China	9	2023.08.14-2033.08.13
352 . .	多能惠家	67986554	ENN China	43	2023.06.14-2033.06.13
353 . .	多能惠家	67996923	ENN China	42	2023.06.14-2033.06.13
354 . .	智联优家	67985421	ENN China	43	2023.08.14-2033.08.13
355 . .	多能惠家	67979997	ENN China	45	2023.06.14-2033.06.13
356 . .	智联优家	67991513	ENN China	45	2023.06.07-2033.06.06
357 . .	多能惠家	67982701	ENN China	44	2023.06.14-2033.06.13
358 . .	智联优家	67997127	ENN China	44	2023.08.14-2033.08.13
359 . .	智联优家	67975282	ENN China	28	2023.05.28-2033.05.27
360 . .	智联优家	67974833	ENN China	42	2023.08.07-2033.08.06
361 . .	智联优家	67974767	ENN China	39	2023.08.14-2033.08.13
362 . .	多能惠家	67990366	ENN China	39	2023.06.14-2033.06.13
363 . .	智联优家	67978338	ENN China	17	2023.06.14-2033.06.13
364 . .	多能惠家	67975248	ENN China	11	2023.06.14-2033.06.13
365 . .	多能惠家	67995401	ENN China	9	2023.06.14-2033.06.13
366 . .	多能惠家	67982966	ENN China	37	2023.06.14-2033.06.13
367 . .	智联优家	67996277	ENN China	37	2023.08.14-2033.08.13
368 . .	智联优家	67985815	ENN China	10	2023.08.07-2033.08.06
369 . .	智联优家	67995991	ENN China	35	2023.08.14-2033.08.13

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
370 . .	多能惠家	67981449	ENN China	40	2023.06.14-2033.06.13
371 . .	智联优家	67984708	ENN China	40	2023.06.07-2033.06.06
372 . .	多能惠家	67992262	ENN China	38	2023.06.14-2033.06.13
373 . .	格瑞泰	75578936	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	42	2024.06.21-2034.06.20
374 . .	格瑞泰	75570958	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	41	2024.06.07-2034.06.06
375 . .	格瑞泰	60401383	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	6	2022.07.21-2032.07.20
376 . .	格瑞泰	60397351	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	11	2022.07.21-2032.07.20
377 . .	Gratle	57459562	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	6	2022.03.14-2032.03.13
378 . .	Gratle	56850746	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	11	2022.03.21-2032.03.20
379 . .	格瑞泰	45274244	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	7	2020.12.14-2030.12.13
380 . .	Gratle	45304577	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	11	2021.10.14-2031.10.13
381 . .	Gratle	45288914	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	7	2020.12.14-2030.12.13
382 . .	Gratle	25729792	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	9	2018.08.14-2028.08.13
383 . .	格瑞泰	24588111	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	37	2018.06.28-2028.06.27
384 . .	格瑞泰	24588202	Nanjing ENN Intelligent Technology Company Limited (南京新奥智能科技有限公司)	39	2018.06.21-2028.06.20

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
385 . .	Gratle	20932948	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	38	2017.10.07-2027.10.06
386 . .	Gratle	20932667	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	11	2019.01.28-2029.01.27
387 . .	Gratle	20932629	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	37	2017.10.07-2027.10.06
388 . .	Gratle	20933178	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	42	2017.10.07-2027.10.06
389 . .	Gratle	20932362	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	7	2017.10.07-2027.10.06
390 . .	Gratle	20932668	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	17	2017.12.07-2027.12.06
391 . .	Gratle	20932945	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	39	2017.10.07-2027.10.06
392 . .	Gratle	20932088	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	2	2017.10.07-2027.10.06
393 . .	格瑞[illegible]	20932778	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	37	2017.12.07-2027.12.06
394 . .	Gratle	20932339	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	6	2017.12.07-2027.12.06
395 . .		75566196	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	38	2025.02.07-2035.02.06
396 . .	思能	12140946	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	6	2025.03.21-2035.03.20
397 . .	思能	12141142	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	9	2024.07.28-2034.07.27
398 . .	思能	12141178	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	17	2024.07.28-2034.07.27

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
399 . .	思能	12141081	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	7	2025.03.21-2035.03.20
400 . .	思能	12140889	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	2	2024.07.28-2034.07.27
401 . .	格瑞泰	12140655	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	6	2025.03.21-2035.03.20
402 . .	格瑞泰	12140703	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	7	2024.07.28-2034.07.27
403 . .	格瑞泰	12140790	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	11	2025.05.07-2035.05.06
404 . .	格瑞泰	12140385	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	2	2024.08.14-2034.08.13
405 . .	思能	12141206	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	11	2025.03.21-2035.03.20
406 . .	格瑞泰	12140818	Nanjing ENN Intelligent Technology Company Limited (南京新奧智能科技有限公司)	17	2024.07.28-2034.07.27
407 . .		58948420	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	4	2022.03.14-2032.03.13
408 . .		58966086	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	39	2022.03.07-2032.03.06
409 . .		58948431	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	35	2022.03.14-2032.03.13
410 . .		58941813	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	37	2022.03.07-2032.03.06

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
411 . .		23560379	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	37	2018.04.21-2028.04.20
412 . .		23559887	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	39	2018.09.21-2028.09.20
413 . .		23543667	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	35	2018.03.28-2028.03.27
414 . .		21426033	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	4	2017.11.21-2027.11.20
415 . .		21424790	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	3	2017.11.21-2027.11.20
416 . .		21424396	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	1	2017.11.21-2027.11.20
417 . .	e车e站	17298892	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	35	2017.08.28-2027.08.27
418 . .	e车e站	17292652	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	39	2016.10.21-2026.10.20
419 . .	e车e站	17292644	Langfang ENN New Energy Auto Services Company Limited (廊坊新奧新能源汽車服務有限公司)	37	2017.06.21-2027.06.20
420 . .	ENRA	18167380	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	12	2016.12.07-2026.12.06

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
421 . .	ENRA	18165404	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	6	2016.12.07-2026.12.06
422 . .		18167136	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	11	2016.12.07-2026.12.06
423 . .		18167647	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	21	2016.12.07-2026.12.06
424 . .		18166400	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	9	2016.12.07-2026.12.06
425 . .		18167790	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	41	2016.12.07-2026.12.06
426 . .	奥瑞	18165719	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	7	2016.12.07-2026.12.06
427 . .	奥瑞	18167435	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	12	2017.01.21-2027.01.20
428 . .	奥瑞	18167634	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	21	2017.02.14-2027.02.13
429 . .	ENRA	18167914	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	42	2016.12.07-2026.12.06
430 . .	ENRA	18167588	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	21	2016.12.07-2026.12.06

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
431 . .	ENRA	18166974	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	11	2016.12.07-2026.12.06
432 . .	ENRA	18165928	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	9	2016.12.07-2026.12.06
433 . .		18165817	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	7	2016.12.07-2026.12.06
434 . .	ENRA	18165632	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	7	2016.12.07-2026.12.06
435 . .		18167449	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	12	2016.12.07-2026.12.06
436 . .		18165498	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	6	2016.12.07-2026.12.06
437 . .		18167994	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)	42	2017.08.14-2027.08.13
438 . .	Sercloud	51345513	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	38	2021.07.28-2031.07.27
439 . .	Sercloud	51353308	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	37	2021.08.07-2031.08.06
440 . .	Sercloud	51327915	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	45	2021.08.07-2031.08.06
441 . .	Serlink	50719821	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	37	2021.06.21-2031.06.20

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
442 . .	Serlink	50716415	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	39	2021.06.28-2031.06.27
443 . .	Serlink	50725133	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	4	2021.06.21-2031.06.20
444 . .	Serlink	50738118	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	9	2021.06.28-2031.06.27
445 . .	Serlink	50733473	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	45	2021.07.07-2031.07.06
446 . .	Serlink	50733433	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	41	2021.07.07-2031.07.06
447 . .	Serlink	50715574	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	36	2021.07.21-2031.07.20
448 . .	Serlink	50708628	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	35	2022.05.07-2032.05.06
449 . .	Serlink	56171970	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	35	2022.12.07-2032.12.06
450 . .	Serlink	50721083	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	4	2022.07.14-2032.07.13
451 . .	Sercloud	51337495	ENN (Beijing) Electricity Services Company Limited (新奧(北京)電力服務有限公司)	42	2022.07.07-2032.07.06
452 . .		8854436	Xindi Energy	1	2022.11.28-2032.11.27
453 . .		8854400	Xindi Energy	11	2022.04.21-2032.04.20
454 . .		8854370	Xindi Energy	37	2022.01.07-2032.01.06
455 . .		8831748	Xindi Energy	42	2022.03.07-2032.03.06
456 . .	云易工程	29125083	Xindi Energy	38	2019.02.21-2029.02.20

No.	Trademark	Registration No.	Registered Owner	Class	Effective Period
457 . .	云易工程	29123338	Xindi Energy	37	2019.02.21-2029.02.20
458 . .		17964488	Haomaiqi	39	2017.01.21-2027.01.20
459 . .	好气网	17963915	Haomaiqi	4	2016.11.07-2026.11.06
460 . .	好气网	17963417	Haomaiqi	35	2016.11.07-2026.11.06
461 . .	好气网	17964007	Haomaiqi	39	2017.09.14-2027.09.13
462 . .	好气网	17964152	Haomaiqi	42	2016.11.07-2026.11.06
463 . .	运途	23336537	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)	42	2018.03.14-2028.03.13
464 . .	运途云	23336667	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)	9	2018.03.14-2028.03.13
465 . .	运途云	23336437	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)	42	2018.03.14-2028.03.13

(b) Patents

(i) Registered Patents

As of December 31, 2024, we were the registered owner of the following invention patents in the PRC and had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
1 . . .	ZL201410356652.9	Cutting device for round plastic tube (塑料圓管切割裝置)	Invention	2014.07.24	Bangfu ENN Gas Development Company Limited (蚌埠新奧燃氣發展有限公司)
2 . . .	ZL201210482301.3	Transport pulley for spherical tank of gate station (門站球罐用運輸滑車)	Invention	2012.11.25	Bangfu ENN Gas Development Company Limited (蚌埠新奧燃氣發展有限公司)
3 . . .	ZL201810071150.X	Auscultation ball-type gas pipeline leakage detection device and method (聽診球式燃氣管道洩漏檢測裝置及檢測方法)	Invention	2018.01.25	Changzhou ENN Gas Company Limited (常州新奧燃氣發展有限公司)、Changzhou University (常州大學)
4 . . .	ZL201210280339.2	Circulating cooling system of fuel gas compressor (一種燃氣壓縮機循環冷卻系統)	Invention	2012.08.08	Dongguan ENN
5 . . .	ZL201310015658.5	Method for recycling pressure energy of natural gas pipeline for refrigeration (一種回收利用天然氣管網壓力能製冷的方法)	Invention	2013.01.16	Dongguan ENN
6 . . .	ZL201310015625.0	Pressure-regulating air-feeding method for natural gas pipelines (一種天然氣管網的調壓供氣方法)	Invention	2013.01.16	Dongguan ENN

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
7 . . .	ZL201710916968.2	Maintenance scheme formulation method and operation management platform (一種養護方案的制定方法及運營管理平台)	Invention	2017.09.30	Dongguan ENN
8 . . .	ZL201710226056.2	IoT-based natural gas measuring instrument (一種基於物聯網的天然氣測量儀器)	Invention	2017.04.08	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)
9 . . .	ZL201910533314.0	IoT system for gas supply (一種燃氣供應物聯網系統)	Invention	2019.06.19	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)
10. . .	ZL201611247042.0	Device and method for locating the trajectory of underground pipelines (一種地下管道軌跡定位裝置及方法)	Invention	2016.12.29	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
11. . .	ZL202010785371.0	A device and method for recovering residual gas in a tank after liquid discharge from a tank truck (一種槽車卸液後罐內餘氣回收裝置及方法)	Invention	2020.08.06	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
12. . .	ZL202210769689.9	A valve replacement auxiliary device (一種閥門更換輔助裝置)	Invention	2022.07.01	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
13. . .	ZL201710778816.0	A supporting device for natural gas pipeline construction and installation (一種天然氣管道施工安裝用支撐裝置)	Invention	2017.09.01	Guilin ENN Gas Development Company Limited (桂林新奧燃氣發展有限公司)
14. . .	ZL201310472059.6	Method for using a manhole cover keyhole blocker (井蓋鑰匙口封堵器的使用方法)	Invention	2013.10.11	Guilin ENN Gas Development Company Limited (桂林新奧燃氣發展有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
15. . .	ZL201110267411.3	A novel radio frequency electronic tag circuit (一種新型射頻電子標籤電路)	Invention	2011.09.09	Henan Donglu Gaoke Industrial Company Limited (河南東陸高科實業股份有限公司)、Qingdao ENN Gas Facility Development Company Limited (青島新奧燃氣設施開發有限公司)
16. . .	ZL201110157459.9	Gas meter (燃氣錶)	Invention	2011.05.31	Huludao ENN Gas Development Company Limited (葫蘆島新奧燃氣發展有限公司)
17. . .	ZL202210452415.7	An indoor gas vertical installation and fixing device (一種室內燃氣立管安裝固定裝置)	Invention	2022.04.27	Kaifeng ENN Gas Engineering Company Limited (開封新奧燃氣工程有限公司)
18. . .	ZL201410140404.0	Microgrid, microgrid control device and control method (微電網、微電網的控制裝置和控制方法)	Invention	2014.04.09	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
19. . .	ZL201410764868.9	A method and system for interconnection between microgrids (一種微網間互聯的方法及系統)	Invention	2014.12.12	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
20. . .	ZL201610594121.2	A water system control method and device (一種水系統控制方法和裝置)	Invention	2016.07.26	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
21. . .	ZL201610592428.9	A control method and device for air conditioning water systems (一種空調水系統的控制方法及控制裝置)	Invention	2016.07.26	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
22. . .	ZL201611070962.X	A cooling system for internal combustion engine cylinder liners (一種內燃機缸套水的冷卻系統)	Invention	2016.11.28	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
23. . .	ZL201710146503.3	A combined cooling, heating and power energy supply system, method and device (一種冷熱電聯產供能系統、方法及裝置)	Invention	2017.03.13	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
24. . .	ZL201910301288.9	Method, device and electronic equipment for selecting refrigeration units (製冷機組的選取方法、裝置及電子設備)	Invention	2019.04.15	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
25. . .	ZL201910301293.X	Method, device and electronic equipment for selecting heating units (製熱機組的選取方法、裝置及電子設備)	Invention	2019.04.15	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)

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26. . .	ZL201910300598.9	Method, device and electronic equipment for selecting energy supply equipment for steam projects (蒸汽項目的供能設備選取方法、裝置及電子設備)	Invention	2019.04.15	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
27. . .	ZL201910551486.0	Power distribution box (配電箱)	Invention	2019.06.24	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
28. . .	ZL201910712683.6	Simple linkage quantification method for steam pipe network parameters (蒸汽管網參數的簡易聯動量化計算方法)	Invention	2019.08.02	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
29. . .	ZL201210045156.2	Ventilation system and its operating method (通風系統及其操作方法)	Invention	2012.02.27	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
30. . .	ZL201210421135.6	Compressor residual gas recovery system for filling stations (加氣站壓縮機餘氣回收系統)	Invention	2012.10.25	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)

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31. . .	ZL201310102330.7	Cloud-based central heating monitoring system and regulation method (基於雲服務的集中供暖監控系統及集中供暖系統調節方法)	Invention	2013.03.27	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
32. . .	ZL201310179662.5	A chilled water storage air conditioning system and its operating method (一種水蓄冷空調系統及其運行方法)	Invention	2013.05.15	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
33. . .	ZL201310454375.0	Ventilation system and method for controlling chamber temperature (通風系統及控制腔室中溫度的方法)	Invention	2013.09.29	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
34. . .	ZL201710938085.1	A gas pipeline management method, device and system (一種燃氣管線管理方法、裝置及系統)	Invention	2017.09.30	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
35. . .	ZL201710918824.0	A gas equipment management system and method, and a mobile terminal (一種燃氣設備的管理系統及方法、一種移動終端)	Invention	2017.09.30	Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
36. . .	ZL201911174994.8	Experience feedback system and method (經驗反饋系統及方法)	Invention	2019.11.26	Langfang ENN Gas Company Limited (廊坊新奧燃氣有限公司)

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37. . .	ZL200910301661.7	A method for purchasing gas and recharging a prepaid gas meter (一種購買燃氣並給預付費燃氣錶充值的方法)	Invention	2009.04.20	Langfang ENN Intelligent Technology Company Limited (廊坊新奧智能科技有限公司)
38. . .	ZL201711105748.8	An electric motor valve (一種電機閥)	Invention	2017.11.10	Langfang ENN Intelligent Technology Company Limited (廊坊新奧智能科技有限公司)
39. . .	ZL201810588145.6	Settlement method for IoT gas meters, IoT gas meter and meter reading platform server (物聯網燃氣錶結算方法、物聯網燃氣錶以及抄錶平台服務器)	Invention	2018.06.08	Langfang ENN Intelligent Technology Company Limited (廊坊新奧智能科技有限公司)
40. . .	ZL201810834418.0	A method and device for transparently transmitting messages received by a stateless service via long connection in a microservice architecture (一種微服務架構下將無狀態服務接收到的消息通過長連接透傳的方法和裝置)	Invention	2018.07.26	Langfang ENN Intelligent Technology Company Limited (廊坊新奧智能科技有限公司)
41. . .	ZL202010808959.3	A switching method for gas meter automatic production line (一種燃氣錶自動生產線的切換方法)	Invention	2020.08.12	Langfang ENN Intelligent Technology Company Limited (廊坊新奧智能科技有限公司)
42. . .	ZL202111498633.6	A Bluetooth-based gas meter and smart valve linkage system and usage method (一種基於藍牙通訊的燃氣錶和智能閥門聯動系統及使用方法)	Invention	2021.12.09	Langfang ENN Intelligent Technology Company Limited (廊坊新奧智能科技有限公司)

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43. . .	ZL201710918760.4	A method, device and system for task issuing (一種下發任務的方法、裝置及系統)	Invention	2017.09.30	Luoyang ENN Energy Development Company Limited (洛陽新奧能源發展有限公司)
44. . .	ZL201810416518.1	A method and device for engineering management supervision (一種工程管理監督方法及裝置)	Invention	2018.05.03	Luoyang ENN Energy Development Company Limited (洛陽新奧能源發展有限公司)
45. . .	ZL201810613418.8	A method and device for enterprise management (一種企業管理方法及裝置)	Invention	2018.06.14	Luoyang ENN Energy Development Company Limited (洛陽新奧能源發展有限公司)
46. . .	ZL201610788948.7	A method and device for determining installed capacity of a CCHP generator (一種確定CCHP發電機裝機規模的方法及裝置)	Invention	2016.08.31	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
47. . .	ZL202011450518.7	Digital simulation system and method for heating temperature curve and hydraulic balance regulation (供熱溫度曲線和水力平衡調節的數字化模擬系統及方法)	Invention	2020.12.10	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
48. . .	ZL201010160559.2	A system efficiency control method and control system (一種系統能效控制方法及控制系統)	Invention	2010.04.30	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
49. . .	ZL201610592162.8	A sewage cooling method and system for hot water boilers (一種熱水鍋爐排污降溫方法及系統)	Invention	2016.07.25	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)

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50. . .	ZL201811560974.X	A system for recovering residual heat from internal combustion engine cylinder liner water using a type-II absorption heat pump (利用第二類吸收式熱泵回收內燃機缸套水餘熱的系統)	Invention	2018.12.20	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
51. . .	ZL201911362639.3	Method for calculating power consumption of centrifugal refrigerator and screw refrigerator in cooling season (離心式製冷機與螺桿式製冷機在供冷季耗電量計算方法)	Invention	2019.12.26	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
52. . .	ZL202011454988.0	A multi-strategy intelligent heating method based on temperature and time offset control (一種基於溫度和時間偏移控制的多策略智能供熱方法)	Invention	2020.12.10	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
53. . .	ZL202110803882.5	A method for judging pipeline air leakage detection executed by operator based on machine vision (一種基於機器視覺判斷操作人員執行管道漏氣檢測的方法)	Invention	2021.07.16	Qingdao ENN Gas Facility Development Company Limited (青島新奧燃氣設施開發有限公司)
54. . .	ZL201610218753.9	LNG refuelling system, BOG processing system and mobile LNG filling ship (LNG加注系統、BOG處理系統及移動LNG加注船)	Invention	2016.04.11	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)
55. . .	ZL201710560361.5	A liquefied natural gas supplying system and using method thereof (一種液化天然氣供氣系統及其使用方法)	Invention	2017.07.11	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
56. . .	ZL201711000411.0	Liquefied natural gas refuelling system (液化天然氣加注系統)	Invention	2017.10.24	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)
57. . .	ZL201711462404.2	A gas supply system (一種供氣系統)	Invention	2017.12.28	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)
58. . .	ZL201811543463.7	A two-stage compression heat pump circulation system for deeply condensing steam exhaust (一種深度冷凝乏汽的雙級壓縮熱泵循環系統)	Invention	2018.12.17	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)
59. . .	ZL201811544907.9	A dual-effect evaporation concentration system using two-stage compression heat pump (一種雙級壓縮式熱泵雙效蒸發濃縮系統)	Invention	2018.12.17	Shanghai ENN New Energy Technology Company Limited (上海新奧新能源技術有限公司)
60. . .	ZL201611184119.4	A kind of municipal gas pipelines (一種市政燃氣管)	Invention	2016.12.20	Xiangtan ENN Gas Development Company Limited (湘潭新奧燃氣發展有限公司)
61. . .	ZL201010235156.X	Atmospheric gas radiation heating device (大氣式燃氣輻射加熱裝置)	Invention	2010.07.23	ENN China
62. . .	ZL201310369108.3	Tetrahydrothiophene dosing device for civil gas (民用燃氣四氫噻吩添加裝置)	Invention	2013.08.22	ENN China
63. . .	ZL201610698477.0	A free piston internal combustion engine and internal combustion generator (一種自由活塞式內燃機及內燃發電機)	Invention	2016.08.19	ENN China

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64. . .	ZL201610756473.3	A push rod for engine, engine and automatic valve clearance adjustment method (一種發動機的推桿和發動機及氣門間隙的自動調節方法)	Invention	2016.08.29	ENN China
65. . .	ZL201710562663.6	Test method for cogeneration units (熱電聯產機組的測試方法)	Invention	2017.07.11	ENN China
66. . .	ZL201710562662.1	Heat pump system and heat recovery method (熱泵系統及其熱回收方法)	Invention	2017.07.11	ENN China
67. . .	ZL201710791022.8	Dual-purpose steam and hot water cogeneration unit (蒸汽熱水兩用型熱電聯產機組)	Invention	2017.09.05	ENN China
68. . .	ZL201710792239.0	Heat and power cogeneration unit with heat energy recovering system (具有熱能回收系統的熱電聯產機組)	Invention	2017.09.05	ENN China
69. . .	ZL201710835411.6	Internal combustion generator set (內燃發電機組)	Invention	2017.09.15	ENN China
70. . .	ZL201710918759.1	An authorization management platform and method (一種授權管理平台及方法)	Invention	2017.09.30	ENN China
71. . .	ZL201710918771.2	A method and device for employee interaction in enterprises (一種企業員工互動方法及裝置)	Invention	2017.09.30	ENN China
72. . .	ZL201710916984.1	An approval method for permission requests and authorization management platform (一種權限申請的審批方法及授權管理平台)	Invention	2017.09.30	ENN China
73. . .	ZL201710938990.7	A method and device for visual inspection management (一種可視化巡檢管理方法及裝置)	Invention	2017.09.30	ENN China

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74. . .	ZL201711407143.4	A keyword determination method and device (一種關鍵詞確定方法及裝置)	Invention	2017.12.22	ENN China
75. . .	ZL201711406087.2	A keyword management method and device (一種關鍵詞管理方法和裝置)	Invention	2017.12.22	ENN China
76. . .	ZL201711407157.6	An information capture method and device (一種信息抓取方法及裝置)	Invention	2017.12.22	ENN China
77. . .	ZL201711404195.6	An information display method and device (一種資訊信息的展示方法和裝置)	Invention	2017.12.22	ENN China
78. . .	ZL201711407172.0	A label setting method and device (一種標籤設置方法及裝置)	Invention	2017.12.22	ENN China
79. . .	ZL201711407110.X	An information promotion method and device (一種資訊推送方法及裝置)	Invention	2017.12.22	ENN China
80. . .	ZL201711436473.6	Gas cogeneration system (燃氣熱電聯產系統)	Invention	2017.12.26	ENN China
81. . .	ZL201810416519.6	A page display method, system and big data platform (一種頁面展示方法及系統及大數據平台)	Invention	2018.05.03	ENN China
82. . .	ZL201810612833.1	A budgeting method and budgeting device (一種預算編制方法和預算編制裝置)	Invention	2018.06.14	ENN China
83. . .	ZL201910213520.3	Output load adjustment method and system for generator sets (發電機組輸出負荷調整方法及系統)	Invention	2019.03.20	ENN China
84. . .	ZL201910678659.5	A heating method and device (一種供熱方法及裝置)	Invention	2019.07.25	ENN China
85. . .	ZL201910678651.9	A customer heatmap generation method and device (一種客戶熱度圖生成方法及裝置)	Invention	2019.07.25	ENN China

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86. . .	ZL201910677624.X	A data interaction method and interaction platform (一種數據交互方法和交互平台)	Invention	2019.07.25	ENN China
87. . .	ZL201910677622.0	A gas leakage intelligent inspection method, device and system (一種燃氣洩漏智能巡檢方法、裝置及系統)	Invention	2019.07.25	ENN China
88. . .	ZL201910677596.1	A retrofit solution promotion method and device (一種改造方案推送方法及裝置)	Invention	2019.07.25	ENN China
89. . .	ZL201910678655.7	A method for online editing of gas pipeline network and pipeline network online editing system (一種燃氣管網在線編輯方法及管網在線編輯系統)	Invention	2019.07.25	ENN China
90. . .	ZL201910677633.9	A gas pipeline network connectivity inspection method and pipeline network online editing system (一種燃氣管網連通檢查方法及管網在線編輯系統)	Invention	2019.07.25	ENN China
91. . .	ZL201910678666.5	A method, device and system for generating pipeline completion drawings (一種管道竣工圖生成方法、裝置和系統)	Invention	2019.07.25	ENN China
92. . .	ZL201910912303.3	An IoT platform and method for monitoring IoT devices (一種物聯網平台和物聯網設備監控方法)	Invention	2019.09.25	ENN China

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93. . .	ZL202010611080.X	Automatic VAT invoice verification and deduction method, device and readable medium (增值稅發票自動認證抵扣方法、裝置及可讀介質)	Invention	2020.06.30	ENN China
94. . .	ZL202111531761.6	Smart NFC card for gas metering and communication processing method thereof (用於燃氣計量錶的智能NFC卡及其通信處理方法)	Invention	2021.12.15	ENN China、Langfang ENN Intelligent Technology Company Limited (廊坊新奧智能科技有限公司)、Langfang City ENN Energy Company Limited (廊坊市新奧能源有限公司)、ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
95. . .	ZL201610387529.2	A building energy load forecasting model building method, load forecasting method and device (一種建築用能負荷預測模型建立、負荷預測方法及其裝置)	Invention	2016.06.01	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
96. . .	ZL201610510345.0	A method and device for determining pipeline network characteristic curve (一種確定管網特性曲線的方法及裝置)	Invention	2016.07.01	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
97. . .	ZL201610623961.7	A pollutant emission calculation method and electronic equipment (一種污染物排放量計算方法及電子設備)	Invention	2016.08.02	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)

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98. . .	ZL201611033207.4	Electrical networking method for distributed energy stations and microgrid, medium-sized energy networks (分佈式能源站電氣組網的方法及微電網、中型能源網絡)	Invention	2016.11.17	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
99. . .	ZL201611013299.X	A site selection method and device for energy stations (一種能源站選址方法及裝置)	Invention	2016.11.17	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
100 . .	ZL201611070964.9	A kind of water heater (一種熱水器)	Invention	2016.11.28	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
101 . .	ZL201611084284.2	Method and device for determining energy supply scale based on different business types of energy consumers (一種基於不同業態的用能主體的供能規模確定方法及裝置)	Invention	2016.11.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
102 . .	ZL201611093043.4	Cooling system and method (一種冷卻系統及方法)	Invention	2016.12.01	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
103 . .	ZL201710131555.3	Balancing valve and liquid supply device (一種平衡閥及液體供給裝置)	Invention	2017.03.07	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
104 . .	ZL201710151112.0	Energy supply system (一種供能系統)	Invention	2017.03.14	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)

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105 . .	ZL201710450951.2	Self-powered mixed water system (一種自力式混水系統)	Invention	2017.06.15	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
106 . .	ZL201710481937.9	Refrigeration device of trigeneration system (三聯供系統的製冷裝置)	Invention	2017.06.22	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
107 . .	ZL201710596092.8	Mounting bracket for photovoltaic module and photovoltaic component with the same (光伏組件的安裝支架以及具有它的光伏部件)	Invention	2017.07.20	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
108 . .	ZL201710641663.5	Diagnostic method, cloud server and system for integrated energy station equipment (泛能站設備的診斷方法、雲服務器及系統)	Invention	2017.07.31	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
109 . .	ZL201710787852.3	Terminal device control method and terminal device (終端設備的控制方法及終端設備)	Invention	2017.09.04	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
110 . .	ZL201710787723.4	Optimization calculation method and device for integrated energy station in integrated energy microgrid (泛能微網中泛能站優化計算方法及裝置)	Invention	2017.09.04	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
111 . .	ZL201710813102.9	Energy calculation method for multi-device collaborative energy supply mode (一種多設備協同供能方式中能源計算方法)	Invention	2017.09.11	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)

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112 . .	ZL201711033361.6	Heat pump system (熱泵系統)	Invention	2017.10.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
113 . .	ZL201711036861.5	Maintenance method and device for refrigeration equipment (製冷設備的維護方法及裝置)	Invention	2017.10.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
114 . .	ZL201711288529.8	Ammonia-soda system (聯鹼系統)	Invention	2017.12.07	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
115 . .	ZL201711288568.8	Heat source conversion device and residual heat utilization system for integrated energy stations (熱源轉換裝置及泛能站餘熱綜合利用系統)	Invention	2017.12.07	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
116 . .	ZL201711307273.0	Adjustment component for generator residual heat utilization (發電機餘熱利用調節組件)	Invention	2017.12.11	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
117 . .	ZL201711482452.8	A method for calculating days of energy supply (一種供能天數計算方法)	Invention	2017.12.29	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
118 . .	ZL201810119169.7	Distributed intelligent power distribution master-slave control system (分佈式智能配網主從控制系統)	Invention	2018.02.06	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
119 . .	ZL201711000967.X	Energy supply control system and method for data center (數據中心供能控制系統和方法)	Invention	2017.10.24	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)

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120 . .	ZL201711002395.9	Energy supply control system and method for data center (數據中心供能控制系統和方法)	Invention	2017.10.24	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
121 . .	ZL201711002289.0	Energy supply control system and method for data center (數據中心供能控制系統和方法)	Invention	2017.10.24	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
122 . .	ZL201711176635.7	Control method and system for multi-source thermal network (多源熱力管網的控制方法及系統)	Invention	2017.11.22	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
123 . .	ZL201711478395.6	Method and system for ammonia synthesis separation (合成氨分離的方法和系統)	Invention	2017.12.29	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
124 . .	ZL201711486972.6	Method and system for ammonia synthesis separation (合成氨分離的方法和系統)	Invention	2017.12.29	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
125 . .	ZL201710647766.2	Thermal efficiency adjustment system for building space (建築空間的熱效率調節系統)	Invention	2017.08.01	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技股份有限公司)
126 . .	ZL201611067635.9	A load prediction method and device for air conditioning unit (一種空調機組的負荷預測方法及設備)	Invention	2016.11.28	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
127 . .	ZL201810540732.8	Heat loss calculation method and device for buried hot water pipe network (直埋熱水管網的熱損計算方法及裝置)	Invention	2018.05.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)

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128 . .	ZL201810538664.1	Distributed energy system and control method based on vacuum salt-making process (基於真空製鹽工藝的分佈式能源系統及其控制方法)	Invention	2018.05.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
129 . .	ZL201810540794.9	Method and system for applying gas combined cooling heating and power system to sports center (將燃氣冷熱電多聯供系統應用於體育中心的方法及系統)	Invention	2018.05.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
130 . .	ZL201810540694.6	Configuration method for steam pipe network (蒸汽管網的配置方法)	Invention	2018.05.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
131 . .	ZL201810539904.X	Calculation method and device for installation capacity of CCHP equipment (冷熱聯供設備裝機的計算方法及裝置)	Invention	2018.05.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
132 . .	ZL201810540758.2	Heat loss calculation method and device for overhead steam pipe network (架空蒸汽管網的熱損計算方法及裝置)	Invention	2018.05.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
133 . .	ZL201810540703.1	Heat loss calculation method and device for buried hot water pipe network (直埋熱水管網的熱損計算方法及裝置)	Invention	2018.05.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
134 . .	ZL201810539901.6	Heat loss calculation method and device for overhead steam pipe network (架空蒸汽管網的熱損計算方法及裝置)	Invention	2018.05.30	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)

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135 . .	ZL201811333008.4	Solar power generation device (一種太陽能發電裝置)	Invention	2018.11.09	ENN Integrated Energy Network Technology Company Limited (新奧泛能網絡科技有限公司)
136 . .	ZL201910141079.2	Integrated energy station and reverse power protection method and device thereof (泛能站及其逆功率保護方法與裝置)	Invention	2019.02.26	ENN Group Co、Langfang ENN Integrated Energy Network Technology Services Company Limited (廊坊新奧泛能網絡科技服務有限公司)
137 . .	ZL201811238479.7	Variable heat energy recovery system and method for cogeneration unit (熱電聯產機組可變熱能回收系統及方法)	Invention	2018.10.23	ENN Technology、ENN China
138 . .	ZL201010590282.7	Integrated energy matching system and control method thereof (集成能源匹配系統及其控制方法)	Invention	2010.12.09	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
139 . .	ZL201110460167.2	Energy supply method and device (能源供應的方法及裝置)	Invention	2011.12.31	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
140 . .	ZL201610309625.5	Smart card firmware update method and system (一種智能卡固件更新方法及系統)	Invention	2016.05.11	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
141 . .	ZL201611070961.5	Testing method, device and system (一種測試方法、設備及系統)	Invention	2016.11.28	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)

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142 . .	ZL201710401630.3	Control method, device and system for metering meter (一種計量錶控制方法、裝置及系統)	Invention	2017.05.31	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
143 . .	ZL201710692210.5	Electric lift device for indoor vertical pipe and method for installing gas pipeline using the same (室內立管用電動升降機裝置及使用該裝置安裝燃氣管道的方法)	Invention	2017.08.14	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
144 . .	ZL202110933360.7	A method for using gas pipeline sealing construction device (一種燃氣管道封堵施工裝置的使用方法)	Invention	2021.08.14	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
145 . .	ZL202311710464.7	Gas steel pipe derusting equipment (一種燃氣鋼管除鏽設備)	Invention	2023.12.13	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
146 . .	ZL202410155692.0	Indoor gas fault monitoring method and system (一種室內燃氣故障監測方法及系統)	Invention	2024.02.04	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
147 . .	ZL202410239228.X	Visual-based appearance quality detection method for gas pipeline (一種基於視覺的燃氣管道外觀質量檢測方法)	Invention	2024.03.04	ENN New Energy Engineering Technology Company Limited (新奧新能源工程技術有限公司)
148 . .	ZL201310188498.4	Gas flow detection method (一種氣體流量檢測方法)	Invention	2013.05.20	Yancheng ENN Gas Company Limited (鹽城新奧燃氣有限公司)
149 . .	ZL201210139405.4	Natural gas pipeline explosion-proof valve for automatic indoor gas handling (自動處理室內燃氣的天然氣管道防爆閥門)	Invention	2012.04.26	Yancheng ENN Gas Company Limited (鹽城新奧燃氣有限公司)

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150 . .	ZL202011191943.9	Control system for natural gas gate station in urban gas pipeline network (一種城市燃氣管網天然氣門站控制系統)	Invention	2020.10.30	Yancheng ENN Gas Company Limited (鹽城新奧燃氣有限公司)
151 . .	ZL202011570135.3	An interface testing method and related device (一種接口測試方法及相關裝置)	Invention	2020.12.26	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
152 . .	ZL201810929332.6	A dynamic dispatching method and device (一種動態派工方法和裝置)	Invention	2018.08.15	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
153 . .	ZL201810731898.8	An application monitoring method and equipment (應用監控方法及設備)	Invention	2018.07.05	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
154 . .	ZL201810474073.2	A data processing method and device for call platform (一種呼叫平台數據處理方法和裝置)	Invention	2018.05.17	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
155 . .	ZL201510420278.9	An online measurement device for gas composition and calorific value (一種燃氣組分和熱值在線測量裝置)	Invention	2015.07.16	Zhanjiang ENN Gas Company Limited (湛江新奧燃氣有限公司)
156 . .	ZL201910902307.3	An LNG vaporiser water spray system and control method thereof (一種LNG氣化器水噴淋系統及控制方法)	Invention	2019.09.23	Zhanjiang ENN Gas Company Limited (湛江新奧燃氣有限公司)
157 . .	ZL201310166074.8	A centralized gas top-up reminder method and system (一種集中式燃氣充值提醒方法及其系統)	Invention	2013.05.06	Zhaoqing ENN Gas Company Limited (肇慶新奧燃氣有限公司)
158 . .	ZL201510245981.0	A cold and heat energy utilization system for vehicle and vessel gas mother station (一種車船用加氣母站的冷熱能利用系統)	Invention	2015.05.15	Zhaoqing ENN Gas Company Limited (肇慶新奧燃氣有限公司)

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159 . .	ZL201810828219.9	A gate station de-icing system (一種門站除冰系統)	Invention	2018.07.25	Zhaoqing ENN Gas Company Limited (肇慶新奧燃氣有限公司)
160 . .	ZL201410456019.7	A natural gas sphere tank replacement device and replacement method thereof (一種天然氣球罐置換裝置及其置換方法)	Invention	2014.09.10	Chuzhou ENN Gas Company Limited (株洲新奧燃氣有限公司)
161 . .	ZL201710758401.7	A construction method and bracket structure for gas pipeline laid under bridge (一種橋樑下側燃氣管道敷設施工方法及其支架結構)	Invention	2017.08.29	Chuzhou ENN Gas Company Limited (株洲新奧燃氣有限公司)
162 . .	ZL201710764143.3	Heating system, cooling system and combined cooling, heating and power system (製熱系統、製冷系統及冷熱電三聯供系統)	Invention	2017.08.30	Chuzhou ENN Gas Company Limited (株洲新奧燃氣有限公司)
163 . .	ZL201810661549.3	Multi-level waterproofing system and method for gas pipeline (燃氣管路多級防水系統及方法)	Invention	2018.06.25	Chuzhou ENN Gas Company Limited (株洲新奧燃氣有限公司)
164 . .	ZL201810876987.1	Online monitoring method and system for preventing gas pipeline damage (防止燃氣管網被破壞的在線監控方法及系統)	Invention	2018.08.03	Chuzhou ENN Gas Company Limited (株洲新奧燃氣有限公司)
165 . .	ZL201810877595.7	Construction identification method and system during gas pipeline monitoring (燃氣輸送管線的監控過程中的施工識別方法及系統)	Invention	2018.08.03	Chuzhou ENN Gas Company Limited (株洲新奧燃氣有限公司)
166 . .	ZL202110656440.2	A payment method based on multi-function card, multi-function card and system (基於多功能卡的繳費方法、多功能卡及系統)	Invention	2021.06.11	Shijiazhuang ENN Energy Development Company Limited (石家莊新奧能源發展有限公司)

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167 . .	ZL201711365677.5	An energy consumption estimation method for cooling system (一種供冷系統的能耗預估方法)	Invention	2017.12.18	Shijiazhuang ENN Energy Development Company Limited (石家莊新奧能源發展有限公司)
168 . .	ZL201610383695.5	An energy supply control method and device based on energy supply system (一種基於供能系統的供能控制方法及裝置)	Invention	2016.06.01	Shijiazhuang ENN Energy Development Company Limited (石家莊新奧能源發展有限公司)
169 . .	ZL201610478441.1	A control method and device for air-conditioning cooling water system (一種空調冷卻水系統控制方法及裝置)	Invention	2016.06.27	Shijiazhuang ENN Energy Development Company Limited (石家莊新奧能源發展有限公司)
170 . .	ZL201710507355.3	Process and device for power generation using natural gas pressure energy and cold energy recovery (利用天然氣壓力能發電及冷能回收的工藝和裝置)	Invention	2017.06.28	Chuzhou ENN Gas Engineering Company Limited (滁州新奧燃氣工程有限公司)
171 . .	ZL201710509037.0	Anti-corrosion method for urban long-distance natural gas pipeline (城市天然氣長輸管道的防腐方法)	Invention	2017.06.28	Chuzhou ENN Gas Engineering Company Limited (滁州新奧燃氣工程有限公司)
172 . .	ZL201510794783.X	An external butt-jointing workbench for large-diameter pipeline (一種大口徑管道外對接工作台)	Invention	2015.11.18	Qingdao ENN Jiaocheng Gas Engineering Company Limited (青島新奧膠城燃氣工程有限公司)
173 . .	ZL201610013358.7	A bypass valve type pigging speed regulator (一種旁通閥式調速清管器)	Invention	2016.01.11	Qingdao ENN Jiaocheng Gas Engineering Company Limited (青島新奧膠城燃氣工程有限公司)

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174 . .	ZL202110803873.6	A method and equipment for intelligent perimeter detection (一種智能周界檢測的方法和設備)	Invention	2021.07.16	Qingdao ENN Jiaonan Gas Engineering Company Limited (青島新奧膠南燃氣工程有限公司)
175 . .	ZL202110500600.4	A pressure pipeline and its laying method for gas engineering (一種燃氣工程的壓力管道及其鋪設方法)	Invention	2021.05.08	Guigang ENN Gas Engineering Company Limited (貴港新奧燃氣工程有限公司)
176 . .	ZL202110500583.4	A pipeline positioning device for gas engineering (一種燃氣工程用的管道定位裝置)	Invention	2021.05.08	Guigang ENN Gas Engineering Company Limited (貴港新奧燃氣工程有限公司)
177 . .	ZL201811447913.2	A testing device for natural gas pipeline fittings (一種天然氣管件測試設備)	Invention	2018.11.29	Guigang ENN Gas Engineering Company Limited (貴港新奧燃氣工程有限公司)
178 . .	ZL201911080778.7	An energy-saving and water-saving hot water supply system and water supply method thereof (一種節能節水熱水供應系統及其供水方法)	Invention	2019.11.07	Quanzhou City Gas Company Limited (泉州市燃氣有限公司)
179 . .	ZL201910367023.9	A gas refuelling structure for gas vehicles (一種燃氣汽車加氣用加氣結構)	Invention	2019.05.05	Quanzhou City ENN Transportation Energy Development Company Limited (泉州市新奧交通能源發展有限公司)
180 . .	ZL201810037136.8	A method, device and system for managing equipment parts of gas refuelling stations (一種加氣站設備配件管理方法、裝置及系統)	Invention	2018.01.15	Langfang ENN Enterprise Management Company Limited (廊坊新奧企業管理有限公司)
181 . .	ZL202210849381.5	A method for data connectivity of pipeline network users (一種管網用戶數據貫通方法)	Invention	2022.07.19	Langfang City ENN Energy Company Limited (廊坊市新奧能源有限公司)

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182 . .	ZL202410028256.7	A safety monitoring method and system for LNG storage tank groups (一種LNG儲罐群的安全監測方法、系統)	Invention	2024.01.08	Yancheng ENN Energy Development Company Limited (鹽城新奧能源發展有限公司)、Yancheng City Gas Career Development Centre (鹽城市燃氣事業發展中心)
183 . .	ZL202111063082.0	A gas-solid separation and slag removal device for natural gas supply systems (一種用於天然氣供應系統的氣固分離及清渣裝置)	Invention	2021.09.10	Dongguan City Xinneng Energy Management Company Limited (東莞市新能能源管理有限公司)
184 . .	ZL201910313171.2	An energy-saving and environmentally friendly gas boiler (一種節能環保的燃氣鍋爐)	Invention	2019.04.18	Fujian Province Xinyuan Energy Development Company Limited (福建省新元能源發展有限公司)
185 . .	ZL202111315776.9	A gas turbine power generation system (一種燃氣輪機發電系統)	Invention	2021.11.08	Hangzhou Linping ENN Energy Development Company Limited (杭州臨平新奧能源發展有限公司)
186 . .	ZL201910082546.9	A gas-liquid two-phase flow heat exchange tube (一種氣液兩相流換熱管)	Invention	2017.08.02	Hangzhou Linping ENN Energy Development Company Limited (杭州臨平新奧能源發展有限公司)
187 . .	ZL201911001559.5	A gas test device for vessels and method for conducting gas test on docked vessels (船舶的氣試裝置及其對停靠碼頭的船舶進行氣試的方法)	Invention	2019.10.21	Zhejiang Free Trade Zone ENN Maritime Services Company Limited (浙江自貿區新奧海事服務有限公司)
188 . .	ZL202010457686.2	A biomass pyrolysis system and operation method thereof (生物質熱解系統及其工作方法)	Invention	2020.05.26	ENN Biomass (Tianjin) Company Limited (新奧生物質能(天津)有限公司)

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189 . .	ZL201911222235.4	A system for producing fuel gas (一種生產燃料氣的系統)	Invention	2019.12.03	ENN Biomass (Tianjin) Company Limited (新奥生物質能(天津)有限公司)
190 . .	ZL202010936960.4	A method and system for producing hydrogen from biomass (利用生物質製備氫氣的方法和系統)	Invention	2020.09.08	ENN Biomass (Tianjin) Company Limited (新奥生物質能(天津)有限公司)
191 . .	ZL202010470673.9	A control method and system for combustion of oil and gas dual-purpose boiler (油氣兩用鍋爐燃燒的控制方法及控制系統)	Invention	2020.05.28	ENN Biomass (Tianjin) Company Limited (新奥生物質能(天津)有限公司)
192 . .	ZL201911143273.0	A method for controlling the outlet temperature of hot flue gas furnace in biomass pyrolysis system (生物質熱解系統及控制熱煙氣爐出口溫度的方法)	Invention	2019.11.20	ENN Biomass (Tianjin) Company Limited (新奥生物質能(天津)有限公司)
193 . .	ZL201911222253.2	A control method and device for biomass pyrolysis device (生物質熱解裝置的控制方法及裝置)	Invention	2019.12.03	ENN Biomass (Tianjin) Company Limited (新奥生物質能(天津)有限公司)
194 . .	ZL201711103464.5	A water flow control structure for water-cooled multi-connected units (一種水冷多聯式機組水流量控制結構)	Invention	2017.11.10	Changshou ENN Energy Company Limited (常熟新奥能源有限公司)
195 . .	ZL201611205162.4	A free piston internal combustion engine, internal combustion generator and internal combustion compressor (一種自由活塞式內燃機、內燃發電機及內燃壓縮機)	Invention	2016.12.23	Changshou ENN Energy Company Limited (常熟新奥能源有限公司)
196 . .	ZL201610946265.X	A self-locking safety power supply device (一種可自鎖的安全供電裝置)	Invention	2016.11.02	Changshou ENN Energy Company Limited (常熟新奥能源有限公司)

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197 . .	ZL201310640506.4	A suspension body of hot water circulation pump with coil cooling structure (一種盤管冷卻結構的熱水循環泵懸架體)	Invention	2013.12.04	Changshou ENN Energy Company Limited (常熟新奧能源有限公司)
198 . .	ZL202110500160.2	A separation device for pyrolysis treatment of organic solid waste (一種有機固廢裂解處理的分離裝置)	Invention	2021.05.08	Mudanjiang ENN Energy Development Company Limited (牡丹江新奧能源發展有限公司)
199 . .	ZL202010677506.1	A cooling and efficiency-enhancing device for gas turbine intake system (一種燃氣輪機進氣系統降溫提效裝置)	Invention	2020.07.15	Longyou ENN Smart Energy Company Limited (龍游新奧智慧能源有限公司)
200 . .	ZL201811385163.0	A single-ring network type SCADA system (一種單環網型SCADA系統)	Invention	2018.11.20	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
201 . .	ZL201810898838.5	A method and device for improving the stability of real-time data dumping in SCADA systems (一種提高SCADA系統實時數據轉儲穩定性的方法和裝置)	Invention	2018.08.08	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
202 . .	ZL201710922484.9	A method and device for obtaining flow delay time in energy supply (一種能源供應中的流量延遲時間的獲取方法和裝置)	Invention	2017.09.30	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
203 . .	ZL201810897123.8	A method and device for real-time data dumping in SCADA systems (一種SCADA系統實時數據轉儲方法和裝置)	Invention	2018.08.08	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
204 . .	ZL201710919390.6	A method and device for energy alignment based on classification prediction (一種基於分類預測的能量對齊方法和裝置)	Invention	2017.09.30	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)

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205 . .	ZL201811091228.0	A method and device for integrated energy supply control for electrically driven refrigeration air-conditioning systems (一種電製冷機空調系統用供能一體化的控制方法和裝置)	Invention	2018.09.19	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
206 . .	ZL201710919382.1	A method and device for obtaining energy flow delay time (一種能源流量延遲時間的獲取方法和裝置)	Invention	2017.09.30	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
207 . .	ZL201711366090.6	An intelligent control system and method for chiller units to realize demand-side response (一種實現需求側響應的供冷機組智能控制系統和方法)	Invention	2017.12.18	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
208 . .	ZL201810994277.9	A power sales control system (一種售電控制系統)	Invention	2018.08.29	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
209 . .	ZL201810898095.1	A method and device for smooth migration of SCADA system databases (一種實現SCADA系統數據庫平滑遷移的方法和裝置)	Invention	2018.08.08	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
210 . .	ZL201810994258.6	A power sales deviation control method and power sales control system (一種售電偏差控制方法和售電控制系統)	Invention	2018.08.29	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
211 . .	ZL201710861340.7	A model predictive control method and device for building air-conditioning systems to realize demand-side response (一種實現需求側響應的建築空調模型預測控制方法和裝置)	Invention	2017.09.21	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
212 . .	ZL201711366087.4	An advanced control system and method for chiller units to realize demand-side response (一種實現需求側響應的供冷機組先進控制系統和方法)	Invention	2017.12.18	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
213 . .	ZL201711368655.4	A distributed energy cogeneration control system and method (一種分佈式能源熱電聯產控制系統和方法)	Invention	2017.12.18	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
214 . .	ZL201710861346.4	A method and device for predictive control of heating and cooling sources in building air-conditioning systems (一種建築空調系統冷熱源預測控制方法和裝置)	Invention	2017.09.21	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
215 . .	ZL201811094766.5	A group control method and device for boilers (一種鍋爐的群控方法和裝置)	Invention	2018.09.19	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
216 . .	ZL201810898847.4	A method and device for real-time data dumping during SCADA system upgrades (一種SCADA系統升級時的實時數據轉儲方法和裝置)	Invention	2018.08.08	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)

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217 . .	ZL201711368658.8	A control system and method for chiller units to realize demand-side response (一種實現需求側響應的供冷機組控制系統和方法)	Invention	2017.12.18	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
218 . .	ZL201611209322.2	A variable flow water supply control system based on terminal comfort (基於末端舒適度的供水變流量控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
219 . .	ZL201711368659.2	A distributed energy cogeneration control system and method for reducing heat loss (一種降低熱量損失的分佈式能源熱電聯產控制系統和方法)	Invention	2017.12.18	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
220 . .	ZL201611209383.9	A variable temperature water supply control system based on load prediction and comfort feedback (基於負荷預測與舒適度反饋的供水變溫度控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
221 . .	ZL201611209370.1	A variable temperature water supply control system based on air-conditioning load rate (基於空調負荷率的供水變溫度控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
222 . .	ZL201611208349.X	A variable temperature water supply control system based on air-conditioning load rate and comfort feedback (基於空調負荷率和舒適度反饋的供水變溫度控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)

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223 . .	ZL201611014165.X	A microgrid system for balancing micro power supply and load electricity consumption (一種實現微電源供電與負荷用電平衡的微電網系統)	Invention	2016.11.17	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
224 . .	ZL201611209320.3	A variable temperature water supply control system based on terminal comfort (基於末端舒適度的供水變溫度控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
225 . .	ZL201711368656.9	A multivariable control system and method for distributed energy cogeneration (一種分佈式能源熱電聯產多變量控制系統和方法)	Invention	2017.12.18	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
226 . .	ZL201611208361.0	A zoned variable flow water supply control system based on meteorological conditions (基於氣象條件的分區供水變流量控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
227 . .	ZL201611206984.4	A variable temperature water supply control system based on load rate prediction (基於負荷率預測的供水變溫度控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
228 . .	ZL201611208362.5	A zoned variable flow water supply control system based on comfort level (基於舒適度的分區供水變流量控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
229 . .	ZL201611027335.8	An energy storage optimization control method (一種儲能優化控制方法)	Invention	2016.11.17	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
230 . .	ZL201611206954.3	A variable gain air-conditioning temperature control system (可變增益空調溫度控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)

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231 . .	ZL201611208358.9	Zoned variable flow water supply control system (分區供水變流量控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
232 . .	ZL201611209373.5	Supply and return water temperature difference control system (供回水溫差控制系統)	Invention	2016.12.23	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
233 . .	ZL201611027381.8	A microgrid control method for balancing micro power supply and load electricity consumption (一種實現微電源供電與負荷用電平衡的微電網控制方法)	Invention	2016.11.17	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
234 . .	ZL201611019730.1	A microgrid system and its control method (一種微電網系統及微電網系統的控制方法)	Invention	2016.11.17	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
235 . .	ZL201510465146.8	Variable water temperature control system for primary pump air-conditioning systems (適用於空調一級泵系統的變水溫控制系統)	Invention	2015.07.31	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
236 . .	ZL201510464537.8	Variable flow control system for secondary pump air-conditioning systems (適用於空調二級泵系統的變流量控制系統)	Invention	2015.07.31	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
237 . .	ZL201510464559.4	Variable differential pressure control system for primary pump air-conditioning systems (適用於空調一級泵系統的變差壓控制系統)	Invention	2015.07.31	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)

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238 . .	ZL201510464504.3	Variable water temperature control system for secondary pump air-conditioning systems (適用於空調二級泵系統的變水溫控制系統)	Invention	2015.07.31	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
239 . .	ZL201510465139.8	Variable flow control system for primary pump air-conditioning systems (適用於空調一級泵系統的變流量控制系統)	Invention	2015.07.31	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
240 . .	ZL201510465326.6	Building energy-saving control system for multi-energy supply stations (適用於多供能站的建築節能控制系統)	Invention	2015.07.31	Xinzhi Energy System Control Company Limited (新智能源系統控制有限責任公司)
241 . .	ZL202411178721.1	Boiler wastewater treatment equipment and method capable of reducing sewage discharge rate (一種能夠降低排污率的鍋爐污水處理設備及方法)	Invention	2024.08.27	Guangzhou Xinrui New Energy Development Company Limited (廣州新瑞新能源發展有限公司)
242 . .	ZL202211486097.2	A heat exchanger for thermal energy recovery from boiler combustion (一種基於鍋爐燃燒的熱能回收利用換熱器)	Invention	2022.11.24	Guangzhou Xinrui New Energy Development Company Limited (廣州新瑞新能源發展有限公司)
243 . .	ZL202010502432.8	A high-efficiency swirl-type heat exchanger (一種高效旋流式換熱器)	Invention	2020.06.05	Guangzhou Xinrui New Energy Development Company Limited (廣州新瑞新能源發展有限公司)
244 . .	ZL202410388652.0	Cleaning device for removing pollutants from photovoltaic equipment (一種清理光伏裝置污染物的清潔設備)	Invention	2024.04.01	Zhaoqing Xinrui Photovoltaics Technology Company Limited (肇慶新瑞光伏科技有限公司)

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245 . .	ZL201510249364.8	A process and device for BOG liquefaction (一種BOG液化的工藝和裝置)	Invention	2015.05.15	Shanxi Qinshui ENN Clean Energy Company Limited (山西沁水新奧清潔能源有限公司)
246 . .	ZL201710089531.6	Synthesis gas vent control valve and synthesis gas vent control system (合成氣放空控制閥及合成氣放空控制系統)	Invention	2017.02.20	Xinneng (Langfang) Energy Petrochemicals Technology Services Company Limited (新能(廊坊)能源化工技術服務有限公司)
247 . .	ZL201010605823.9	Preparation method of synthetic methane catalyst and catalyst precursor (一種合成甲烷催化劑的製備方法和催化劑前驅體)	Invention	2010.12.15	Xindi Energy
248 . .	ZL201110291609.5	A process for removing hydrogen, nitrogen, and carbon monoxide from methane-rich gas and producing liquefied natural gas (從富甲烷氣中脫氫氣、氮氣、一氧化碳並生產液化天然氣的工藝)	Invention	2011.09.30	Xindi Energy
249 . .	ZL201110440109.3	A sulphur-tolerant catalyst for deoxygenation of coal mine gas and its preparation method and application (一種用於瓦斯氣脫氧的耐硫催化劑及其製備方法和應用)	Invention	2011.12.23	Xindi Energy
250 . .	ZL201110440862.2	A system and method for catalytic combustion deoxygenation of methane gas (一種用於瓦斯氣催化燃燒脫氧的系統及方法)	Invention	2011.12.23	Xindi Energy

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251 . .	ZL201210065876.5	Process and device for dehydronitrogenation from methane-rich gas and production of liquefied natural gas (從富甲烷氣中脫氫氮並生產液化天然氣的工藝和裝置)	Invention	2012.03.13	Xindi Energy、ENN Technology
252 . .	ZL201210065878.4	Process for dehydronitrogenation and production of liquefied natural gas by throttling and flash evaporation (節流閃蒸脫氫氮並生產液化天然氣的工藝)	Invention	2012.03.13	Xindi Energy、ENN Technology
253 . .	ZL201210128345.6	Process and device for partial liquefaction of natural gas using gas pressure energy (利用天然氣壓力能部分液化天然氣的工藝和裝置)	Invention	2012.04.27	Xindi Energy
254 . .	ZL201210128125.3	A method and device for drying and liquefaction of natural gas (一種天然氣乾燥及液化工藝方法和裝置)	Invention	2012.04.27	Xindi Energy
255 . .	ZL201210206981.6	A process for producing LNG and co-producing hydrogen from coke oven gas (一種焦爐煤氣製LNG並聯產氫氣的工藝方法)	Invention	2012.06.21	Xindi Energy
256 . .	ZL201210345603.6	Energy-saving method for deoxygenation of coalbed methane (用於煤層氣脫氧的節能方法)	Invention	2012.09.18	Xindi Energy
257 . .	ZL201210540638.5	Method and device for natural gas liquefaction and heavy hydrocarbon treatment (天然氣液化與重烴處理的方法和裝置)	Invention	2012.12.13	Xindi Energy

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258 . .	ZL201310023999.7	Method for producing LNG from coal-based synthesis gas (由煤基合成氣生產LNG的方法)	Invention	2013.01.22	Xindi Energy
259 . .	ZL201310023997.8	A preparation method of wide-temperature methanation catalyst (一種寬溫甲烷化催化劑的製備方法)	Invention	2013.01.22	Xindi Energy
260 . .	ZL201310053290.1	Method for producing ethanol and co-producing ethyl acetate from acetic acid (由乙酸製乙醇並聯產乙酸乙酯的方法)	Invention	2013.02.19	Xindi Energy
261 . .	ZL201310053476.7	Catalyst for direct ethanol production from acetic acid as well as preparation method and use thereof (用於由乙酸直接製備乙醇的催化劑及其製備方法和用途)	Invention	2013.02.19	Xindi Energy
262 . .	ZL201310381313.1	A method for producing methane using hydrogen-rich gas synthesizer (一種富氫氣合成器生產甲烷的方法)	Invention	2013.08.27	Xindi Energy
263 . .	ZL201310461438.5	Process and device for dehydronitrogenation from methane-rich gas by distillation and production of liquefied natural gas (富甲烷氣精餾脱氫氮並生產液化天然氣的工藝和裝置)	Invention	2013.09.30	Xindi Energy
264 . .	ZL201310728979.X	A process and device for removal of heavy hydrocarbons from natural gas (一種天然氣脱重烴工藝及裝置)	Invention	2013.12.25	Xindi Energy

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265 . .	ZL201310728980.2	A method and device for boosting acid gas removal absorbent in natural gas (一種天然氣脱酸吸收劑增壓方法及裝置)	Invention	2013.12.25	Xindi Energy
266 . .	ZL201310726047.1	A method and device for recovery and replenishment of mixed refrigerant (一種混合製冷劑回收及補充方法與裝置)	Invention	2013.12.25	Xindi Energy
267 . .	ZL201310727280.1	Method and device for pressurising feed gas using pipeline pressure energy (利用天然氣管網壓力能為原料天然氣增壓的方法及裝置)	Invention	2013.12.26	Xindi Energy
268 . .	ZL201410619526.8	Method for co-production of natural gas and liquid ammonia using coke oven gas and blast furnace gas (利用焦爐煤氣與高爐煤氣聯合生產天然氣與液氨的方法)	Invention	2014.11.05	Xindi Energy
269 . .	ZL201510248768.5	A liquefaction process for small-scale natural gas (一種小型天然氣的液化工藝)	Invention	2015.05.15	Xindi Energy
270 . .	ZL201510249328.1	A process and device for recovery and reinjection of mixed refrigerant (一種混合製冷劑的回收、回注工藝及裝置)	Invention	2015.05.15	Xindi Energy
271 . .	ZL201510250301.4	A process and device for liquefaction of nitrogen-rich BOG (一種富氮BOG液化的工藝及裝置)	Invention	2015.05.15	Xindi Energy

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272 . .	ZL201510247511.8	Process and device for producing synthetic natural gas from coke oven gas (焦爐氣製備合成天然氣的工藝及裝置)	Invention	2015.05.15	Xindi Energy
273 . .	ZL201610044644.X	A method and device for producing natural gas from low H/C ratio semi-coke tail gas (一種低氫碳比蘭炭尾氣生產天然氣的方法及裝置)	Invention	2016.01.22	Xindi Energy
274 . .	ZL201610083692.X	Process and device for power generation using LNG cold energy (利用LNG冷能發電的工藝及裝置)	Invention	2016.02.05	Xindi Energy
275 . .	ZL201610083798.X	A process and device for power generation using LNG cold energy (一種利用LNG冷能發電的工藝及裝置)	Invention	2016.02.05	Xindi Energy
276 . .	ZL201610223553.2	A Layered carrier for methanation catalyst and preparation method thereof (一種甲烷合成催化劑層狀載體及其製備方法)	Invention	2016.04.12	Xindi Energy
277 . .	ZL201610230461.7	Process and device for power generation using natural gas pressure energy and cold energy recovery (利用天然氣壓力能發電及冷能回收的工藝和裝置)	Invention	2016.04.14	Xindi Energy
278 . .	ZL201610272792.7	A system for LNG refuelling station or gasification station (一種液化天然氣加氣站或氣化站系統)	Invention	2016.04.28	Xindi Energy

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279 . .	ZL201610599083.X	Stuffing box sealing structure and horizontal stuffing box heat exchanger and installation method comprising the same (填料函密封結構及包括該結構的臥式填料函熱交換器和安裝方法)	Invention	2016.07.27	Xindi Energy
280 . .	ZL201610599010.0	A double-layer tank suitable for surface fireproofing and explosion protection, and underground seepage and leakage prevention (一種適用於地面防火防爆、地下防滲防漏的雙層罐)	Invention	2016.07.27	Xindi Energy
281 . .	ZL201710255520.0	A method and device for co-producing gasoline and xylene from methanol (一種甲醇製汽油聯產二甲苯的方法及裝置)	Invention	2017.04.19	Xindi Energy
282 . .	ZL201710319876.6	A system and method for preventing inlet overpressure of reciprocating compressor (一種防止活塞式壓縮機進口超壓的系統和方法)	Invention	2017.05.09	Xindi Energy
283 . .	ZL201710319857.3	A vent system and control method for LNG cryogenic pump pit (一種液化天然氣低溫泵井排氣系統及控制方法)	Invention	2017.05.09	Xindi Energy
284 . .	ZL201710690174.9	Integrated device and method for gas pressure regulation and power generation (天然氣調壓發電一體化裝置及方法)	Invention	2017.08.14	Xindi Energy

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285 . .	ZL201710691412.8	Natural gas liquefaction system and method with refrigerant replenishment device (帶有製冷劑補充裝置的天然氣液化系統及方法)	Invention	2017.08.14	Xindi Energy
286 . .	ZL201710711321.6	An alternative rock judgment method for calculating pile length in bored cast-in-situ piles using circulation drilling (一種灌注樁循環鑽成孔樁長計算替代判岩方法)	Invention	2017.08.18	Xindi Energy
287 . .	ZL201710711657.2	Slurry leakage control device and method for cast-in-place piles of offshore riprap area (海上拋石區灌注樁漏漿控制裝置和方法)	Invention	2017.08.18	Xindi Energy
288 . .	ZL201710711642.6	A construction method for rock-entry drilling using rotary drilling rig (一種回旋鑽機入岩成孔的施工方法)	Invention	2017.08.18	Xindi Energy
289 . .	ZL201710795721.X	Method for rapid evaluation of coking resistance of methanation catalyst (快速檢測甲烷合成催化劑抗積碳性能的方法)	Invention	2017.09.06	Xindi Energy
290 . .	ZL201710795728.1	A high-temperature methanation system and process (一種高溫甲烷合成系統及工藝)	Invention	2017.09.06	Xindi Energy
291 . .	ZL201710795736.6	Equipment and method for continuous catalyst production (一種催化劑連續生產設備和方法)	Invention	2017.09.06	Xindi Energy

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292 . .	ZL201710822531.2	An open-loop bypass filtration apparatus for circulating water and circulating water treatment method thereof (一種開式循環水旁濾裝置及使用其的循環水處理方法)	Invention	2017.09.13	Xindi Energy
293 . .	ZL201710846525.0	A lifting design method for steel structure skid blocks (一種鋼結構撬塊吊裝設計方法)	Invention	2017.09.19	Xindi Energy
294 . .	ZL201810216737.5	A raw gas treatment device and method for SOFC power generation system (一種SOFC發電系統原料氣處理裝置及方法)	Invention	2018.03.16	Xindi Energy
295 . .	ZL201810216804.3	Power generation process and device for solid oxide fuel cell using coke oven gas (固體氧化物燃料電池焦爐氣發電工藝及裝置)	Invention	2018.03.16	Xindi Energy
296 . .	ZL201810834077.7	A LNG quick unloading system and method for BOG gas recovery (一種回收BOG氣體的LNG快速卸車系統及方法)	Invention	2018.07.26	Xindi Energy
297 . .	ZL201811024648.7	An integrated coal gasification solid oxide fuel cell power generation system and process (一種整體煤氣化固體氧化物燃料電池發電系統及工藝)	Invention	2018.09.04	Xindi Energy
298 . .	ZL201811024426.5	A solid oxide fuel cell power generation system and process (一種固體氧化物燃料電池發電系統及工藝)	Invention	2018.09.04	Xindi Energy

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
299 . .	ZL201811024417.6	Integrated coal gasification solid oxide fuel cell and steam turbine combined power generation system and process (整體煤氣化固體氧化物燃料電池.蒸汽輪機聯合發電系統及工藝)	Invention	2018.09.04	Xindi Energy
300 . .	ZL201811327027.6	An on-site hydrogen production system and method for natural gas (一種天然氣現場製氫裝置及方法)	Invention	2018.11.08	Xindi Energy
301 . .	ZL201811359127.7	A presulphurized sulphur-tolerant methanation catalyst and preparation method (一種預硫化耐硫甲烷化催化劑及製備方法)	Invention	2018.11.15	Xindi Energy
302 . .	ZL201811359608.8	A process for producing natural gas from coal (一種煤製天然氣工藝)	Invention	2018.11.15	Xindi Energy
303 . .	ZL201811480576.7	A method for calculating the design pressure and determining the wall thickness of pipe fittings (一種管件設計壓力的計算方法及確定管件壁厚的方法)	Invention	2018.12.05	Xindi Energy
304 . .	ZL201811479938.0	A biomass gasification and multi-generation facility for production of carbon, heat, and electricity and its process (一種生物質氣化多聯產炭熱電裝置及工藝)	Invention	2018.12.05	Xindi Energy

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
305 . .	ZL201811542002.8	A sepiolite and aluminium oxide composite carrier with use of its high-temperature sintering-resistant methanation catalyst (一種海泡石.氧化鋁復合載體及使用其的抗高溫燒結型甲烷化催化劑)	Invention	2018.12.17	Xindi Energy
306 . .	ZL201811542631.0	A sulphur-resistant methanation catalyst and its preparation method (一種耐硫甲烷化催化劑及其製備方法)	Invention	2018.12.17	Xindi Energy
307 . .	ZL201910063499.3	A catalyst for onsite hydrogen production from natural gas and its preparation method (一種天然氣現場製氫的催化劑及其製備方法)	Invention	2019.01.23	Xindi Energy
308 . .	ZL201910155636.6	A sulphur-resistant methanation synthesis process and apparatus (一種耐硫甲烷合成工藝和裝置)	Invention	2019.03.01	Xindi Energy
309 . .	ZL201910156021.5	A method and system for directly producing alcohol from coke oven gas (一種焦爐煤氣直接製醇的方法及系統)	Invention	2019.03.01	Xindi Energy
310 . .	ZL201910428994.X	A device and method for generating power from solid oxide fuel cells using semi-coke tail gas (一種使用蘭炭尾氣進行固體氧化物燃料電池發電的裝置及方法)	Invention	2019.05.22	Xindi Energy

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
311 . .	ZL201910549555.4	A system for joint utilization of LNG terminal regasification equipment and power plant circulating water (一種LNG接收站氣化裝置與電廠循環水聯合利用的系統)	Invention	2019.06.24	Xindi Energy
312 . .	ZL201910700036.3	An automatic ultra-low temperature liquid refuelling device and method (一種超低溫液體的自動加注裝置及方法)	Invention	2019.07.31	Xindi Energy
313 . .	ZL201910899098.1	A method for precisely locating leakage points using a laser methane telemetry detector (一種使用激光遙測甲烷測試儀對洩露點精準定位的方法)	Invention	2019.09.23	Xindi Energy
314 . .	ZL202010006201.8	A catalyst for hydrogenating acetate to ethanol and its application (一種醋酸酯加氫製乙醇的催化劑及其應用)	Invention	2020.01.03	Xindi Energy
315 . .	ZL202010689212.0	Manifold for solid oxide fuel cell stacks and solid oxide fuel cell including the same (固定氧化物燃料電池電堆的歧管及包括其的固體氧化物燃料電池)	Invention	2020.07.15	Xindi Energy
316 . .	ZL202010961985.X	An assembled oil tank and its manufacturing process (一種裝配式油艙及其製造工藝)	Invention	2020.09.14	Xindi Energy

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317 . .	ZL202110142962.0	Magnesium-aluminium spinel composite oxide carrier, its preparation method and steam reforming catalyst (鎂鋁尖晶石型複合氧化物載體及其製備方法和蒸汽重整催化劑)	Invention	2021.02.02	Xindi Energy
318 . .	ZL202110142963.5	Single-phase magnesium-aluminium spinel and its preparation method and methane steam reforming catalyst (單一晶相鎂鋁尖晶石及其製備方法和甲烷蒸汽重整催化劑)	Invention	2021.02.02	Xindi Energy
319 . .	ZL202111321519.6	A LNG emergency gasification device with adjustable calorific value and method (一種熱值可調的LNG應急氣化裝置及方法)	Invention	2021.11.09	Xindi Energy
320 . .	ZL202111470704.1	A multifunctional LNG loading and unloading vehicle device and process (一種多功能LNG裝卸車裝置及裝卸車工藝)	Invention	2021.12.03	Xindi Energy
321 . .	ZL202210014197.9	An electronic-grade hydrogen bromide preparation device and process (一種電子級溴化氫製備裝置及工藝)	Invention	2022.01.06	Xindi Energy
322 . .	ZL202210118855.9	A fixed-bed reactor (一種固定床反應器)	Invention	2022.02.08	Xindi Energy、Xinneng Energy Company Limited (新能能源有限公司)
323 . .	ZL202210530884.6	A horizontal thrust optimization device for large coal gas pipelines (一種大型煤氣管道水平推力優化裝置)	Invention	2022.05.16	Xindi Energy

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324 . .	ZL201310224714.6	A method and device for dehydration and heavy hydrocarbon removal from shale gas (一種頁岩氣脫水脫重烴的方法及裝置)	Invention	2013.06.07	Xindi Energy
325 . .	ZL201310224727.3	A method and device for dehydration and heavy hydrocarbon removal from shale gas (一種頁岩氣脫水脫重烴方法及裝置)	Invention	2013.06.07	Xindi Energy
326 . .	ZL201210064449.5	A method and device for liquefying natural gas using a single mixed refrigerant (採用單一混合工質製冷液化天然氣的方法和裝置)	Invention	2012.03.13	Xindi Energy、ENN Technology
327 . .	ZL201010577804.X	Water-bath vaporizer (水浴式氣化器)	Invention	2010.12.03	Xindi Energy
328 . .	ZL202310578072.3	A LNG cold energy circulation recovery and storage system (一種LNG冷能循環回收儲存系統)	Invention	2023.05.22	ENN Zhoushan
329 . .	ZL202310310873.1	A LNG cold energy power generation device (一種LNG冷能利用發電裝置)	Invention	2023.03.28	ENN Zhoushan
330 . .	ZL202110099225.7	A tank structure for transporting and storing liquid materials (一種液態物料運存罐體結構)	Invention	2021.01.25	ENN Zhoushan
331 . .	ZL201911109273.9	A device for separation and recovery of liquefied natural gas (一種液態天然氣分離回收裝置)	Invention	2019.11.13	ENN Zhoushan
332 . .	ZL201910636041.2	A feeding control method for coal catalytic gasification (煤催化氣化的投料控制方法)	Invention	2019.07.15	Xinneng Energy Company Limited (新能能源有限公司)、Zhongkong Technology Company Limited (中控技術股份有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
333 . .	ZL201910631066.3	A feeding control method and device for hydrogasification technology (一種加氫氣化技術的投料控制方法及裝置)	Invention	2019.07.12	Zhongkong Technology Company Limited (中控技術股份有限公司)、Xinneng Energy Company Limited (新能能源有限公司)
334 . .	ZL201710898951.9	A continuous automatic return feeding system for pressurized and pulverized coal gasifiers (一種粉煤加壓氣化爐連續自動返料系統)	Invention	2017.09.28	Shanghai Petrochemicals Research Institute Company Limited (上海化工研究院有限公司)、Xinneng Energy Company Limited (新能能源有限公司)
335 . .	ZL201710786430.4	A purification and separation system and process for hydrogasification synthesis gas (一種加氫氣化合成氣的淨化分離系統及其工藝)	Invention	2017.09.04	Donghua Engineering Technology Company Limited (東華工程科技股份有限公司)、ENN Technology、Xinneng Energy Company Limited (新能能源有限公司)
336 . .	ZL201710456816.9	A packing cooling system for reciprocating compressors (一種往復式壓縮機填料冷卻系統)	Invention	2017.06.16	Chongqing Gas Compressor Plant Company Limited (重慶氣體壓縮機廠有限責任公司)、Xinneng Energy Company Limited (新能能源有限公司)
337 . .	ZL200710037578.4	A method and system for producing synthesis gas with a suitable hydrogen-to-carbon ratio or hydrogen via non-catalytic partial oxidation using pure oxygen at the outlet of a Lurgi gasifier (魯奇爐出口煤氣加純氧非催化部分氧化製取合適氫碳比合成氣或氫氣的方法及系統)	Invention	2007.02.15	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)

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338 . .	ZL200910052424.1	Shunt-type low-temperature methanol washing unit (分流式低溫甲醇洗裝置)	Invention	2009.06.03	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
339 . .	ZL200910056342.4	Shunt-type isothermal sulphur-tolerant shift process and its equipment (分流式等溫耐硫變換工藝及其設備)	Invention	2009.08.13	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
340 . .	ZL200910195802.1	Improved waste heat boiler (改良型廢熱鍋爐)	Invention	2009.09.17	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
341 . .	ZL200910056055.3	A method and device for drying and purifying fresh gas for ammonia synthesis (一種氨合成新鮮氣的乾燥淨化方法和裝置)	Invention	2009.08.07	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
342 . .	ZL200910054761.4	Isothermal methanation process and device for producing synthetic natural gas (製取合成天然氣的等溫甲烷化工藝和裝置)	Invention	2009.07.14	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
343 . .	ZL200910056717.7	Cold-wall shift reactor with built-in heat exchanger and direct connection structure between the shift reactor and downstream heat exchange equipment (換熱器內置冷壁式變換反應器及變換反應器與下游換熱設備的直連結構)	Invention	2009.08.20	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)

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344 . .	ZL200910195146.5	A method and device for increasing methanol production by producing synthesis gas via catalytic partial oxidation with pure oxygen of methanol synthesis loop purge gas (甲醇合成回路弛放氣經純氧催化部分氧化後製合成氣以增產甲醇的方法及裝置)	Invention	2009.09.04	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
345 . .	ZL200910195147.X	A method and device for increasing methanol production by producing synthesis gas via non-catalytic partial oxidation with pure oxygen of methanol synthesis loop purge gas (甲醇合成回路弛放氣經純氧非催化部分氧化後製合成氣以增產甲醇的方法及裝置)	Invention	2009.09.04	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
346 . .	ZL201110138654.7	Non-catalytic partial oxidation burner for synthesis gas production (非催化部分氧化製合成氣燒嘴)	Invention	2011.05.26	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
347 . .	ZL200910054770.3	Adiabatic methanation process and device for producing synthetic natural gas (製取合成天然氣的絕熱甲烷化工藝和裝置)	Invention	2009.07.14	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
348 . .	ZL201110195535.5	A method and device for producing liquefied natural gas from coke oven gas by low-temperature rectification (一種焦爐煤氣低溫精餾生產液化天然氣的方法及裝置)	Invention	2011.07.13	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
349 . .	ZL201110243290.9	A method and device for co-producing ammonia synthesis gas and SNG via fixed-bed pressurized gasification of crushed coal (固定床碎煤加壓煤氣化製氨合成氣與SNG聯產方法與裝置)	Invention	2011.08.23	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
350 . .	ZL201110084186.X	High-temperature vertical coil waste heat boiler (高溫立式盤管廢熱鍋爐)	Invention	2011.04.02	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
351 . .	ZL201210040295.6	Radial or axial-radial fixed-bed reactor with supported slotted plate distributor (帶有支撐式槽孔板分佈器的徑向或軸徑向固定床反應器)	Invention	2012.02.21	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
352 . .	ZL201210254264.0	A method and device for co-producing ammonia synthesis gas and liquefied natural gas via fixed-bed pressurized gasification of crushed coal (固定床碎煤加壓煤氣化製氨合成氣與液化天然氣聯產方法及裝置)	Invention	2012.07.20	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)

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353 . .	ZL201310716739.8	A device and method for treating oil-containing crude synthesis gas using a combination of ambient and low-temperature methanol washing (一種常溫、低溫甲醇洗相結合處理含油粗合成氣的裝置及方法)	Invention	2013.12.20	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
354 . .	ZL201310733661.0	A method and device for drying, purifying and cooling shift crude synthesis gas and SNG product gas using low-temperature methanol washing (利用低溫甲醇洗乾燥、淨化和冷卻變換粗合成氣和SNG產品氣的方法及其裝置)	Invention	2013.12.26	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
355 . .	ZL201210245434.9	A method and device for purifying fresh ammonia synthesis gas via liquid nitrogen washing and co-producing SNG and/or LNG (液氮洗淨化製氨合成新鮮氣並聯產SNG或/和LNG的方法及裝置)	Invention	2012.07.13	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
356 . .	ZL201310598032.1	A device and method for treating ammonium crystallization and purifying lean methanol in low-temperature methanol washing (處理低溫甲醇洗銨結晶及淨化貧液甲醇的裝置及其方法)	Invention	2013.11.22	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
357 . .	ZL201410582527.X	An energy-saving and production-enhancing method and device for low-temperature methanol washing (一種低溫甲醇洗節能增產的方法及裝置)	Invention	2014.10.27	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)

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358 . .	ZL201410757055.7	A method and device for producing dilute ammonia solution from ammonia-containing shift condensate wastewater (一種含氨變換凝液廢水製取稀氨水的方法及裝置)	Invention	2014.12.10	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
359 . .	ZL201510240952.5	A synthesis gas purification method combining sulphur-tolerant shift and circulating fluidized bed thermal desulphurization, its device and applications (一種結合耐硫變換和循環流化床熱法脫硫的合成氣淨化方法及其裝置和應用)	Invention	2015.05.12	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
360 . .	ZL201310122373.1	An isothermal fixed-bed reactor with catalyst loaded between heat exchange tubes (一種將催化劑裝於換熱管之間的等溫固定床反應器)	Invention	2013.04.09	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
361 . .	ZL201510349338.2	A method and system for producing synthetic natural gas or co-producing hydrogen by combining circulating fluidized bed dry method with thermal desulphurization (一種結合使用循環硫化床乾法熱脫硫生產合成天然氣或聯產製氫的方法及系統)	Invention	2015.06.19	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
362 . .	ZL201610899250.2	A method and device for producing pure liquid ammonia from ammonia-containing shift condensate wastewater (一種含氨變換凝液廢水製取純液氨的方法及裝置)	Invention	2016.10.15	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)

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363 . .	ZL201510658690.4	An energy-saving ultra-large-scale methanol synthesis method and device for producing different grades of steam (一種生產不同等級蒸汽的節能型超大規模甲醇合成方法及裝置)	Invention	2015.10.12	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
364 . .	ZL201811543898.1	Non-catalytic partial oxidation method and device for medium and large-scale by-product superheated steam (大中型副產過熱蒸汽的非催化部分氧化方法及裝置)	Invention	2018.12.17	Shanghai International Chemical Construction Engineering Consulting Company Limited (上海國際化建工程諮詢有限公司)
365 . .	ZL200910084411.2	A methane synthesis reactor (一種甲烷合成反應器)	Invention	2009.05.15	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
366 . .	ZL201010170004.6	A method for continuous production of low-carbon alcohols from synthesis gas (一種由合成氣連續生產低碳醇的方法)	Invention	2010.05.12	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
367 . .	ZL201010170002.7	Catalyst for producing low-carbon alcohols from synthesis gas, its preparation method and application (由合成氣製低碳醇催化劑及其製備方法和應用)	Invention	2010.05.12	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
368 . .	ZL200910085337.6	High energy efficiency process for methane production from synthesis gas (高能效合成氣製甲烷的工藝)	Invention	2009.05.21	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)

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369 . .	ZL201010252961.3	A synthetic methane catalyst and its preparation method and application (一種合成甲烷催化劑及其製備方法和應用)	Invention	2010.08.13	ENN Xinneng (Beijing) Technology Company Limited (新奧新能(北京)科技有限公司)
370 . .	ZL200810226891.7	New process for methane production from synthesis gas (合成氣生產甲烷新工藝)	Invention	2008.11.19	ENN Xinneng (Beijing) Technology Company Limited (新奧新能(北京)科技有限公司)
371 . .	ZL200810226890.2	Methanol and methane co-production process from methane-containing synthesis gas (含甲烷合成氣生產甲醇聯產甲烷工藝)	Invention	2008.11.19	ENN Xinneng (Beijing) Technology Company Limited (新奧新能(北京)科技有限公司)
372 . .	ZL201010597715.1	Method for producing synthetic natural gas (生產合成天然氣的方法)	Invention	2010.12.15	ENN Technology、ENN Xinneng (Beijing) Technology Company Limited (新奧新能(北京)科技有限公司)
373 . .	ZL200910084410.8	Two-stage dimethyl ether production method (兩段式二甲醚生產方法)	Invention	2009.05.15	ENN Xinneng (Beijing) Technology Company Limited (新奧新能(北京)科技有限公司)
374 . .	ZL201310099496.8	A cooling device for crude dimethyl ether storage tank (一種粗二甲醚儲罐冷卻裝置)	Invention	2013.03.26	ENN Xinneng (Beijing) Technology Company Limited (新奧新能(北京)科技有限公司)
375 . .	ZL201310099661.X	An energy-saving heating device and method for dimethyl ether (一種二甲醚節能加熱裝置及方法)	Invention	2013.03.26	ENN Xinneng (Beijing) Technology Company Limited (新奧新能(北京)科技有限公司)
376 . .	ZL201310099780.5	A heating device for recovering residual heat from dimethyl ether condensate water (一種二甲醚冷凝水餘熱回收供暖裝置)	Invention	2013.03.26	ENN Xinneng (Beijing) Technology Company Limited (新奧新能(北京)科技有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
377 . .	ZL201310100475.3	A dimethyl ether sampling and transfer adapter device (一種二甲醚取樣轉接裝置)	Invention	2013.03.26	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
378 . .	ZL201210518204.5	A low-temperature methanol dehydration to dimethyl ether catalyst, its preparation method and application (一種低溫甲醇脱水製二甲醚催化劑及製備方法和應用)	Invention	2012.12.05	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
379 . .	ZL201110381821.0	A novel industrial cutting gas with dimethyl ether as the main component (一種以二甲醚為主要成分的新型工業切割氣)	Invention	2011.11.25	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
380 . .	ZL201010170586.8	A low-temperature gas-phase methanol dehydration to dimethyl ether catalyst, its preparation method and application (一種低溫甲醇氣相脱水製二甲醚催化劑及製備方法和應用)	Invention	2010.05.12	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
381 . .	ZL200810224760.5	An additive for coal-water slurry and its preparation method (一種水煤漿添加劑及其製備方法)	Invention	2008.12.26	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
382 . .	ZL200810224761.X	A production method for aerosol-grade dimethyl ether (一種氣霧劑級二甲醚的生產方法)	Invention	2008.12.26	ENN Xinneng (Beijing) Technology Company Limited (新奥新能(北京)科技有限公司)
383 . .	ZL201811131872.6	Cooling and collection method for semi-coke from hydrogasification (加氫氣化半焦的冷卻及收集方法)	Invention	2018.09.27	Xinneng Energy Company Limited (新能能源有限公司)
384 . .	ZL201810826363.9	Start-up method for circulating fluidized bed boilers (循環流化床鍋爐啟爐方法)	Invention	2018.07.25	Xinneng Energy Company Limited (新能能源有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
385 . .	ZL201811171627.8	Slurrying method for semi-coke from hydrogasification (加氫氣化半焦製漿方法)	Invention	2018.10.09	Xinneng Energy Company Limited (新能能源有限公司)
386 . .	ZL201910138558.9	A method for cooling and discharging coal ashes and slags (一種煤灰渣冷卻排渣方法)	Invention	2019.02.25	Xinneng Energy Company Limited (新能能源有限公司)
387 . .	ZL201910824857.8	Flow measurement method for synthesis gas scrubbing system under different operating conditions (合成氣洗滌系統在不同工況下的流量測量方法)	Invention	2019.09.02	Xinneng Energy Company Limited (新能能源有限公司)
388 . .	ZL201811131860.3	Novel cooling and collection device for semi-coke from hydrogasification (新型加氫氣化半焦冷卻及收集裝置)	Invention	2018.09.27	Xinneng Energy Company Limited (新能能源有限公司)
389 . .	ZL201810481584.7	Pretreatment system for crude coal gas produced by fluidized bed gasifier (流化床氣化爐產粗煤氣的預處理系統)	Invention	2018.05.18	Xinneng Energy Company Limited (新能能源有限公司)
390 . .	ZL201810380434.7	Two-stage cyclone return and waste heat utilization system for high-temperature and high-pressure flue gas (高溫高壓煙氣的二級旋風回料及餘熱利用系統)	Invention	2018.04.25	Xinneng Energy Company Limited (新能能源有限公司)
391 . .	ZL201810326382.5	Fluidized bed cyclone return device and cyclone return control method (流化床旋風回料裝置及旋風回料控制方法)	Invention	2018.04.12	Xinneng Energy Company Limited (新能能源有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
392 . .	ZL201810216537.X	Steady-state slag discharge device for fluidized bed gasifier (流化床氣化爐穩態排渣裝置)	Invention	2018.03.16	Xinneng Energy Company Limited (新能能源有限公司)
393 . .	ZL201810316874.6	Right-angle butterfly valve (直角蝶閥)	Invention	2018.04.10	Xinneng Energy Company Limited (新能能源有限公司)
394 . .	ZL201810337020.6	Two-stage cyclone return device for fluidized bed and cyclone return control method (流化床二級旋風回料裝置及旋風回料控制方法)	Invention	2018.04.16	Xinneng Energy Company Limited (新能能源有限公司)
395 . .	ZL201910035780.6	A pulverized coal hydrogasification device (一種粉煤加氫氣化裝置)	Invention	2019.01.15	Xinneng Energy Company Limited (新能能源有限公司)
396 . .	ZL201810306847.0	Gasifying agent delivery control method and system for fluidized bed gasifier (流化床氣化爐氣化劑輸送控制方法及系統)	Invention	2018.04.08	Xinneng Energy Company Limited (新能能源有限公司)
397 . .	ZL201810368964.X	Waste heat utilization system for high-temperature and high-pressure flue gas (高溫高壓煙氣餘熱利用系統)	Invention	2018.04.23	Xinneng Energy Company Limited (新能能源有限公司)
398 . .	ZL201911294143.7	A pulverized coal lock hopper discharge system and discharge method (一種粉煤鎖斗下料系統和下料方法)	Invention	2019.12.16	Xinneng Energy Company Limited (新能能源有限公司)
399 . .	ZL202010737674.5	A pulverized coal hydrogasification system and its process method (一種粉煤加氫氣化系統及其工藝方法)	Invention	2020.07.28	Xinneng Energy Company Limited (新能能源有限公司)

No.	Patent Number	Patent	Type of Invention	Application Date	Patentee
400 . .	ZL202110177014.0	A device for separating solid-containing wastewater and its control method (一種分離含固廢水裝置及分離含固廢水控制方法)	Invention	2021.02.07	Xinneng Energy Company Limited (新能能源有限公司)
401 . .	ZL202010317999.8	A water-cooled tower with online replaceable wire mesh demister and its replacement method (一種能在線更換絲網除沫器的水冷塔及其更換方法)	Invention	2020.04.21	Xinneng Energy Company Limited (新能能源有限公司)

(c) Software copyrights

As of December 31, 2024, we had registered the following software copyrights in the PRC which we consider to be material to our business:

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
1 . . .	Centralized Monitoring Software for Gas Alarm Device V1.0 (燃氣報警裝置集中監控軟件V1.0)	2017SR232272	2014.07.25	2014.07.25	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)
2 . . .	App Monitoring Software for Gas Detector V1.0 (燃氣探測器app監控軟件V1.0)	2017SR230859	2014.10.28	2014.10.28	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)
3 . . .	Self-service Gas Purchase Platform V1.0 (燃氣自助購氣平台V1.0)	2017SR230476	2015.09.20	2015.09.20	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)
4 . . .	Gas Payment App Software V1.0 (燃氣繳費app軟件V1.0)	2017SR236398	2015.11.29	2015.11.29	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)
5 . . .	Wireless Gas Meter Reading Management Software V1.0 (燃氣無線抄錶管理軟件V1.0)	2017SR230871	2016.08.22	2016.08.22	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
6 . . .	Annual Gas Consumption Trend Analysis Software V1.0 (燃氣年度用量趨勢分析軟件V1.0)	2017SR239184	2016.12.28	2016.12.28	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)
7 . . .	Steady-state Transmission and Distribution Simulation System for Gas Pipeline Network (燃氣管網穩態輸配模擬仿真系統)	2022SR0821808	2022.05.16	2022.05.16	Guangzhou Panyu ENN Gas Company Limited (廣州番禺新奧燃氣有限公司)
8 . . .	Cloud Security Alarm Monitoring Software for Gas Terminals V1.0 (燃氣終端雲安全報警監控軟件V1.0)	2016SR295232	2014.08.15	2014.08.15	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
9 . . .	Gas Composition Spot-check Software V1.0 (燃氣成分抽檢軟件V1.0)	2016SR304734	2014.04.10	2014.04.10	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
10. . .	Gas Component Index Detection Software V1.0 (燃氣指標成分檢測軟件V1.0)	2016SR294837	2014.06.12	2014.06.12	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
11. . .	Gas Leakage App Monitoring Software V1.01 (燃氣洩漏APP監控軟件V1.01)	2016SR294834	2014.10.22	2014.10.22	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
12. . .	Residential Gas Maintenance Management Software V1.0 (民用燃氣保修管理軟件V1.0)	2016SR304740	2014.12.28	2014.12.28	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
13. . .	Gas Safety Knowledge App Software V1.0 (燃氣安全小知識APP軟件V1.0)	2016SR304983	2015.03.15	2015.03.15	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
14. . .	Gas Automatic Meter Reading and Payment Software V1.0 (燃氣自動讀錶繳費軟件V1.0)	2016SR295041	2015.05.19	2015.05.19	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
15. . .	Real-time Flow Monitoring Software for Gas Pipeline Network V1.0 (燃氣管網流量實時監控軟件V1.0)	2016SR305549	2015.07.20	2015.07.20	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
16. . .	Gas Network Pressure Monitoring and Alarm Software V1.0 (燃氣網絡壓力監測報警軟件V1.0)	2016SR294829	2015.10.25	2015.10.25	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
17. . .	Gas Pipeline Fault Point Indication and Alarm Software V1.0 (燃氣管道故障點提示報警軟件V1.0)	2016SR304730	2015.12.17	2015.12.17	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
18. . .	Gas Network Pressure Monitoring and Alarm Software (燃氣網絡壓力監測報警軟件)	2021SR0526266	2020.11.20	2020.11.20	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
19. . .	Gas Leakage App Monitoring Software (燃氣洩漏APP監控軟件)	2021SR0526267	2020.10.16	2020.10.16	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
20. . .	Gas Sales Outlet Terminal Management System V1.0 (燃氣營業廳終端管理系統V1.0)	2024SR0935631	2023.12.31	2023.12.31	Guangzhou ENN Gas Company Limited (廣州新奧燃氣有限公司)
21. . .	Rapid Alarm System for Natural Gas Leakage V1.0 (天然氣洩漏快速報警系統V1.0)	2016SR197901	2013.07.18	2013.07.18	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
22. . .	Natural Gas Pressure Monitoring Software V1.0 (天然氣壓力監控軟件V1.0)	2016SR197048	2013.10.25	2013.10.25	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
23. . .	Real-time Operating Information Management System for Gas Pipeline Network V1.0 (燃氣管網實時工況信息管理系統V1.0)	2016SR197846	2013.12.16	2013.12.16	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
24. . .	Gas User Safety Hazard Monitoring Software V1.0 (燃氣用戶安全隱患監控軟件V1.0)	2016SR165811	2014.06.09	2014.06.09	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
25. . .	Gas Volume Management System for Industrial and Commercial Users V1.0 (工商業用戶氣量管理系統V1.0)	2016SR159364	2014.09.12	2014.09.12	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
26. . .	Gas Meter Reading and Safety Inspection Management Software V1.0 (燃氣抄收及安檢管理軟件V1.0)	2016SR157912	2014.12.20	2014.12.20	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
27. . .	Remote Data Transmission Management Software for Flow Meters V1.0 (流量計數據遠傳管理軟件V1.0)	2016SR169260	2015.04.30	2015.04.30	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
28. . .	Online Gas Flow Detection System V1.0 (燃氣流量在線檢測系統V1.0)	2016SR197839	2015.06.05	2015.06.05	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
29. . .	GPS-based Inspection and Positioning System for Natural Gas Pipeline Network V1.0 (天然氣管網巡檢GPS定位系統V1.0)	2016SR202681	2015.08.16	2015.08.16	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
30. . .	Community Gas Pipeline Location Mapping Software V1.0 (小區燃氣管線定位圖軟件V1.0)	2016SR169205	2015.11.15	2015.11.15	Heyuan ENN Gas Company Limited (河源新奧燃氣有限公司)
31. . .	Gas Leakage Detection and Alarm System V1.0 (燃氣漏氣檢測報警系統V1.0)	2018SR400797	2017.01.02	2017.05.31	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
32. . .	Blockchain-based Control System for Storage and Distribution Stations V1.0 (基於區塊鏈儲配站控制系統V1.0)	2018SR400732	2017.05.01	2017.09.30	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
33. . .	Gas Dispatching System V1.0 (燃氣調度系統V1.0)	2018SR400735	2017.03.01	2017.07.31	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
34. . .	Comprehensive Gas Operation Management System V1.0 (燃氣運營綜合管理系統V1.0)	2018SR400738	2017.02.01	2017.06.30	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
35. . .	Intelligent Gas Monitoring System V1.0 (燃氣智能監控系統V1.0)	2018SR400740	2017.04.03	2017.08.31	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
36. . .	Visual Safety Inspection System V1.0 (安檢可視化系統V1.0)	2019SR0999669	2019.02.18	2019.02.21	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
37. . .	Online Editing System for Pipeline Network V1.0 (管網在線編輯系統V1.0)	2019SR0999677	2019.01.08	2019.01.10	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
38. . .	Mobile App Training Platform for Multi-skilled Workers V1.0 (手機APP多能工培訓平台V1.0)	2019SR0995070	2019.04.15	2019.04.18	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
39. . .	Wireless Remote Transmission System for Pressure Regulating Devices V1.0 (調壓裝置壓力無線遠傳系統V1.0)	2019SR0996664	2019.05.20	2019.05.22	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
40. . .	Smart Operation Platform V1.0 (智慧運營平台V1.0)	2019SR0996011	2019.03.25	2019.03.27	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
41. . .	Electronic Tag Management System for CNG Refuelling Stations (CNG加氣站電子標籤管理系統)	2021SR0114271	2020.08.13	2020.08.13	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
42. . .	Smart Joint Prevention and Control Construction Platform for Urban Complexes V1.0 (城市綜合體聯防聯控智慧建設平台V1.0)	2021SR0114272	2020.04.18	2020.04.18	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
43. . .	Terminal Settlement Model System for Industrial and Commercial Gas Users V1.0 (燃氣工商戶終端結算模式系統V1.0)	2021SR0114706	2020.06.10	2020.06.10	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
44. . .	Unmanned Operation Mode Software for Gas Transmission and Distribution Stations V1.0 (燃氣輸配場站無人值守模式軟件V1.0)	2021SR0114705	2020.11.19	2020.11.19	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
45. . .	Intelligent Remote Transmission System for Gas Pressure Regulating Cabinets V1.0 (燃氣調壓櫃智能遠傳系統V1.0)	2021SR0114704	2020.09.25	2020.09.25	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
46. . .	CNG Vehicle Gas Cylinder Retrofit System V1.0 (CNG車載氣瓶改裝系統V1.0)	2021SR0663668	2020.12.30	2020.12.30	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
47. . .	SCADA Terminal Lightning Protection Device System V1.0 (SCADA端機防雷裝置系統V1.0)	2021SR0663669	2020.12.22	2020.12.22	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
48. . .	Visual Engineering Compliance Management System V1.0 (工程可視化合規性管理系統V1.0)	2021SR0663662	2020.12.25	2020.12.25	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
49. . .	Gas Alarm Control System for Industrial and Commercial Users V1.0 (工商戶燃氣報警控制系統V1.0)	2021SR0663663	2020.12.31	2020.12.31	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
50. . .	Replacement System for Gas Payment and Demand Notice V1.0 (紙質燃氣繳費及催費單據替代系統V1.0)	2021SR0663665	2020.12.29	2020.12.29	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
51. . .	Research and Development Platform for Cathodic Protection Post Monitoring and Data Analysis V1.0 (陰極保護樁監測分析數據應用研發平台V1.0)	2022SR0280875	2021.11.28	2021.11.28	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
52. . .	QR Code Application Platform for Gas Production Equipment V1.0 (燃氣生產設備二維碼應用平台V1.0)	2022SR0280876	2021.12.20	2021.12.20	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
53. . .	Research and Development Platform for Gas Pipeline Network Simulation and Application System V1.0 (燃氣管網模擬仿真應用系統研發平台V1.0)	2022SR0276808	2021.12.10	2021.12.10	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
54. . .	Optimization and Analysis Model Platform for Pressure Regulating Boxes V1.0 (調壓箱優化分析模型平台V1.0)	2022SR0276806	2021.12.18	2021.12.18	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
55. . .	Research and Development Platform for Gas Maintenance System Leakage Order Module V1.0 (燃氣維修系統漏氣訂單模塊研發平台V1.0)	2022SR0280834	2021.12.10	2021.12.10	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
56. . .	Flow Meter Maintenance and Traceability Program Platform V1.0 (流量計維護溯源程序平台V1.0)	2022SR0283497	2021.10.19	2021.10.19	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
57. . .	Low-pressure Pipeline Leakage Monitoring and Analysis System V1.0 (低壓管網洩露監測分析系統V1.0)	2022SR0268457	2021.12.20	2021.12.20	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
58. . .	Digitalized Gas Replenishment Workflow System for Industrial and Commercial Users V1.0 (工商戶補氣流程數智化系統V1.0)	2022SR0268455	2021.12.18	2021.12.18	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
59. . .	Metering Data Analysis and Application Platform V1.0 (計量數據分析與應用平台V1.0)	2022SR0268456	2021.11.19	2021.11.19	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
60. . .	Simulated Platform for Indoor Gas Safety Inspection V1.0 (燃氣戶內安檢模擬平台V1.0)	2022SR0280835	2021.11.19	2021.11.19	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
61. . .	Research and Development Platform for Full-process System of Gas Metering Devices V1.0 (燃氣錶具全流程系統技術研發平台V1.0)	2022SR0268521	2021.11.15	2021.11.15	Kaifeng ENN Gas Company Limited (開封新奧燃氣有限公司)
62. . .	Quantitative Risk Assessment System for Natural Gas Stations V1.0 (天然氣場站定量風險評價系統V1.0)	2014SR195760	2014.03.06	2014.06.18	Langfang ENN Gas Company Limited (廊坊新奧燃氣有限公司)
63. . .	Wireless Transmission System for Instrument Data V1.0 (儀錶數據無線傳輸系統V1.0)	2014SR195758	2014.06.18	2014.08.20	Langfang ENN Gas Company Limited (廊坊新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
64. . .	Langfang Gas "Coal-to-Gas" Project Information Collection System (Android Version) [Abbreviated as: Coal-to-Gas App (Android Version)] V1.0 (廊坊燃氣煤改氣工程信息採集系統(Android端)[簡稱:煤改氣APP(Android端)]V1.0)	2018SR525429	2017.04.23	2017.04.23	Langfang ENN Gas Company Limited (廊坊新奧燃氣有限公司)
65. . .	Langfang Gas "Coal-to-Gas" Project Information Collection System (Backend Version) [Abbreviated as: Coal-to-Gas App (Backend Version)] V1.0 (廊坊燃氣煤改氣工程信息採集系統(後台端)[簡稱:煤改氣APP(後台端)] V1.0)	2018SR526272	2017.04.23	2017.04.23	Langfang ENN Gas Company Limited (廊坊新奧燃氣有限公司)
66. . .	Smart Irrigation Data Collection, Monitoring and Management System (智慧灌溉數據採集監測管理系統)	2023SR0677365	2022.11.15	2022.11.19	Langfang ENN Gas Company Limited (廊坊新奧燃氣有限公司)
67. . .	Intelligent Safety Map – Intelligent Risk Management Software for Gas Enterprise Safety Control (安全風險智能地圖–燃氣企業安全管理風險管控的智能安全軟件)	2024SR1913792	2024.06.30	2024.07.10	Langfang ENN Gas Company Limited (廊坊新奧燃氣有限公司)
68. . .	Cable Overheating Monitoring and Alarm System for Electrical Rooms (電氣間電纜過熱監控報警系統)	2022SR1459159	2022.09.05	2022.09.05	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)

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69. . .	Combined Heating Control System for Seawater Source Heat Pump and Bromine Chiller (海水源熱泵與溴冷機聯合供熱控制系統)	2022SR1455933	2022.06.21	2022.06.21	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
70. . .	Dual-circuit Boiler Flow Deviation Automatic Control System (雙回路鍋爐流量偏差自動控制系統)	2022SR1456006	2022.09.05	2022.09.05	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
71. . .	Unified Control Platform System for Pan-energy and Heating Supply (泛能與供熱統一控制平台系統)	2022SR1459126	2022.06.21	2022.06.21	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
72. . .	Real-time Monitoring System for Boiler Efficiency in Integrated Energy Services (綜合能源鍋爐效率實時監控系統)	2022SR1455877	2022.03.17	2022.03.17	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
73. . .	Calorific Value Measurement and Monitoring System for Fuels in Integrated Energy Services (綜合能源燃料熱值計量監測系統)	2022SR1458772	2022.03.17	2022.03.17	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
74. . .	Alarm and Response Access System for Integrated Energy Services (綜合能源系統報警及處置接入系統)	2022SR0436548	2021.10.10	2021.10.14	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
75. . .	Automatic Temperature Regulation and Control System for Heating Systems (供熱系統溫度自動調節控制系統)	2022SR0404220	2021.08.08	2021.08.12	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
76. . .	Local High-temperature Anomaly Monitoring and Alarm System (局部高溫異常監控及報警系統)	2022SR0406897	2021.12.12	2021.12.16	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)

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77. . .	Monitoring and Management System for Integrated Energy Services (綜合能源監控管理系統)	2022SR0404359	2021.09.09	2021.09.13	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
78. . .	Tri-generation Power Access and Protection System for Integrated Energy Services (綜合能源三聯供電力接入保護系統)	2022SR0401097	2021.11.11	2021.11.15	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
79. . .	Distributed Energy Heating PE Pipeline Application System (分佈式能源供熱PE管道應用系統)	2018SR498707	2017.11.08	2017.11.16	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
80. . .	Flue Gas Condensate Recovery and Reuse System for Gas Boilers (燃氣鍋爐煙氣冷凝水回收再利用系統)	2018SR496992	2017.08.22	2017.08.29	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
81. . .	Long-stem Direct-buried Butterfly Valve Laying Technology-based Heating Control System (長桿直埋式蝶閥敷設技術供熱控制系統)	2018SR496470	2017.06.16	2017.06.21	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
82. . .	Heating System for Pan-energy Network in Ring-type Heating Networks (供熱環網泛能網熱力系統)	2018SR498105	2017.06.05	2017.06.12	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
83. . .	Absorption Heat Pump Unit-based Thermal System for Pan-energy Network Services (吸收式熱泵機組泛能網業務熱力系統)	2018SR496463	2017.10.16	2017.10.24	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)
84. . .	Air Source Heat Pump Thermal System for Pan-energy Network (空氣源熱泵泛能網熱力系統)	2018SR495930	2017.12.18	2017.12.25	Qingdao ENN Energy Company Limited (青島新奧能源有限公司)

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85. . .	For Distributed Energy Supply System Electric Energy Storage (電蓄能分佈式供能系統)	2018SR496386	2017.09.11	2017.09.19	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
86. . .	Distributed Photovoltaic Power Generation Application System (分佈式光伏發電應用系統)	2018SR498766	2017.07.18	2017.07.24	Qingdao ENN Energy Company Limited (青島新奥能源有限公司)
87. . .	Remote Monitoring Platform System for Heating Pipeline Network V1.0 (供熱管網遠程監控平台系統V1.0)	2017SR204381	2016.09.20	2016.09.20	Qingdao ENN Clean Energy Company Limited (青島新奥清潔能源有限公司)
88. . .	Integrated Dispatching Platform System for Clean Energy V1.0 (清潔能源綜合調度平台系統V1.0)	2017SR197025	2016.09.26	2016.09.26	Qingdao ENN Clean Energy Company Limited (青島新奥清潔能源有限公司)
89. . .	Visual Data Collection System for Completion Drawings of Heating Construction Projects V1.0 (供熱施工工程竣工圖可視化採集系統V1.0)	2017SR205359	2016.12.12	2016.12.12	Qingdao ENN Clean Energy Company Limited (青島新奥清潔能源有限公司)
90. . .	Visual Data Collection System for Key Nodes in Heating Construction Process V1.0 (供熱施工過程中關鍵節點可視化採集系統V1.0)	2017SR205364	2016.12.20	2016.12.20	Qingdao ENN Clean Energy Company Limited (青島新奥清潔能源有限公司)
91. . .	Optimized Control System for Intelligent Heat Exchange Stations V1.0 (智能換熱站控制優化系統V1.0)	2017SR205369	2016.12.22	2016.12.22	Qingdao ENN Clean Energy Company Limited (青島新奥清潔能源有限公司)
92. . .	Intelligent Heating Optimization System Based on Gas Boilers V1.0 (基於燃氣鍋爐的智能供熱優化系統V1.0)	2017SR205373	2016.12.26	2016.12.26	Qingdao ENN Clean Energy Company Limited (青島新奥清潔能源有限公司)

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93. . .	Automatic Energy-saving Control System with Variable Frequency Speed Regulation and Quality Adjustment V1.0 (變頻調速質調節節能降耗自動控制系統V1.0)	2018SR555859	2017.12.21	2017.12.22	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
94. . .	Hydraulic Self-balancing Multi-energy Complementary Clean Energy Supply System V1.0 (基於水力自平衡的多能互補型清潔供能系統V1.0)	2018SR555853	2017.12.28	2017.12.29	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
95. . .	Automatic Control System for Distributed Circulation Pumps V1.0 (分佈式循環泵自動調控系統V1.0)	2018SR555884	2018.04.19	2018.04.20	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
96. . .	Centralized Heating System with Heterogeneous Distributed Secondary Pumps V1.0 (採用異程分佈式二級泵的集中供熱系統V1.0)	2018SR555855	2018.04.26	2018.04.27	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
97. . .	Remote Monitoring System for Distributed Energy at User End V1.0 (分佈式能源用戶端遠程監控系統V1.0)	2019SR0111380	2018.12.10	2018.12.11	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
98. . .	Smart Regulation System for Regional Heating Pan-energy Microgrid V1.0 (區域供熱泛能微網·智能調控系統V1.0)	2019SR0109775	2018.12.13	2018.12.13	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
99. . .	Gas Safety Intelligence Core System (燃安智核系統)	2024SR1828906	2024.04.18	未發表	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)

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100 . .	Energy-saving Strategy Control System Using Indoor Temperature Collectors for Heating (利用供熱室溫採集器節能策略控制系統)	2022SR1455879	2022.08.25	2022.08.25	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
101 . .	Automatic Alarm System for Residential Heat Theft (居民偷盜熱自動報警系統)	2022SR1455880	2021.06.26	2021.06.26	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
102 . .	Strategy Control System for Matching Secondary Heating Network and Terminals (供熱二次網與末端匹配策略控制系統)	2022SR1463471	2022.06.18	2022.06.18	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
103 . .	Monitoring and Energy-saving Control System for IoT Heat Meters of Integrated Energy Services (綜合能源物聯網熱量錶監控節能控制系統)	2022SR1456024	2020.06.16	2020.06.16	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
104 . .	Drag Reduction and Energy-saving Simulation System for Heating Systems (供熱系統減阻節能降耗模擬系統)	2022SR1463280	2021.09.15	2021.09.15	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
105 . .	Automatic Detection System for Leakage in Residential Heating Pipelines (居民供熱管道洩漏自動檢測系統)	2022SR1458894	2021.04.05	2021.04.05	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
106 . .	Integrated Control System for Unit-level and Terminal-level Heating Balance (單元平衡與戶端平衡綜合控制系統)	2022SR1463448	2022.03.10	2022.03.10	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)

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107 . .	Modular Automatic Balancing System for Water Pumps in Integrated Energy Services (綜合能源模塊化給水泵自動平衡系統)	2022SR1455878	2020.10.19	2020.10.19	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
108 . .	Automatic Mixed Water Control System for Terminal Heating Users (供熱用戶端混水自動控制系統)	2022SR1458904	2021.11.03	2021.11.03	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
109 . .	Smart Operation and Monitoring Platform System for Integrated Energy Services (綜合能源智能運營監控平台系統)	2022SR1458933	2020.03.12	2020.03.12	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
110 . .	Return Water Temperature Curve Control Strategy System for Heating (供熱回水溫度曲線控制策略系統)	2022SR1463470	2022.01.23	2022.01.23	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
111 . .	Flue Gas Temperature Control and Energy-saving System for Boilers in Integrated Energy Services (綜合能源鍋爐排煙溫度控制節能系統)	2022SR1458934	2020.09.26	2020.09.26	Qingdao ENN Clean Energy Company Limited (青島新奧清潔能源有限公司)
112 . .	Optimized medium-pressure Gas Operation System for Shangqiu ENN City Gas Main Pipeline V1.0 (商丘新奧城市燃氣主管網中燃氣中壓優化運營系統V1.0)	2018SR523403	2017.04.06	2018.05.10	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)
113 . .	Gas Pipeline Filtration System for Shangqiu ENN City Gas V1.0 (商丘新奧城市燃氣管道過濾系統V1.0)	2018SR523134	2017.04.14	2018.05.08	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)

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114 . .	Remote Leak Detection System for Shangqiu ENN Gas Pipeline Network V1.0 (商丘新奧燃氣管網遙距檢漏系統V1.0)	2018SR523428	2017.05.09	2018.05.05	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)
115 . .	Gas Equipment Installation High-Medium-Low Pressure Regulator Control System V1.0 (燃氣設備安裝高中低壓調壓器控制系統V1.0)	2019SR0196199	2018.09.19	2018.09.19	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)
116 . .	Scheduled Maintenance Reminder Software for Gas Equipment V1.0 (燃氣設備維修保養定期提示軟件V1.0)	2019SR0199311	2018.09.28	2018.09.28	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)
117 . .	Gas Pipeline Geographic Information System V1.0 (燃氣管網地理信息系統V1.0)	2019SR0196195	2018.10.17	2018.10.17	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)
118 . .	Scheduled Maintenance and Fault Monitoring System for Gas Line Facilities V1.0 (燃氣線路設施定期維修故障監測系統V1.0)	2019SR0199307	2018.11.06	2018.11.06	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)
119 . .	Urban Gas Transmission and Distribution System Based on Complex Network V1.0 (基於複雜網絡的城市燃氣輸配系統V1.0)	2019SR0196192	2018.11.29	2018.11.29	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)
120 . .	Integrated Management System for Gas Transmission and Distribution Pipeline Network Based on GIS V1.0 (基於GIS的燃氣輸配管網綜合管理系統V1.0)	2019SR0198482	2018.12.19	2018.12.19	Shangqiu ENN Gas Engineering Company Limited (商丘新奧燃氣工程有限公司)

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121 . .	Shangqiu ENN Self-service Gas Metering System with Anti-theft Function V1.0 (商丘新奥自助防盜功能氣體計量系統V1.0)	2018SR522480	2017.04.12	2018.04.15	Shangqiu ENN Gas Company Limited (商丘新奥燃氣有限公司)
122 . .	Shangqiu ENN LNG Vaporizer Efficiency Enhancement Control System V1.0 (商丘新奥LNG氣化器氣化效率提升控制系統V1.0)	2018SR523174	2017.06.14	2018.05.08	Shangqiu ENN Gas Company Limited (商丘新奥燃氣有限公司)
123 . .	Shangqiu ENN Compressor Cooling Water Residual Heat Recovery System for Refuelling Stations V1.0 (商丘新奥加氣站用壓縮機冷卻水餘溫回收系統V1.0)	2018SR525122	2017.07.05	2018.04.03	Shangqiu ENN Gas Company Limited (商丘新奥燃氣有限公司)
124 . .	Shangqiu ENN Gate Station Control System Based on Urban Gas Pipeline Network V1.0 (商丘新奥基於城市燃氣管網天然氣門站控制系統V1.0)	2018SR522486	2017.07.06	2018.04.18	Shangqiu ENN Gas Company Limited (商丘新奥燃氣有限公司)
125 . .	ENN Gas Purification and Inspection System (新奥燃氣淨化檢測系統)	2017SR418439	2016.06.10	2016.06.20	Yancheng ENN Gas Company Limited (鹽城新奥燃氣有限公司)
126 . .	ENN Gas Pressure Regulation System (新奥燃氣壓力調節系統)	2017SR410355	2016.06.10	2016.06.20	Yancheng ENN Gas Company Limited (鹽城新奥燃氣有限公司)
127 . .	ENN Gas Concentration Detection and Alarm Control System (新奥燃氣濃度檢測報警控制系統)	2017SR410372	2015.10.20	2015.10.30	Yancheng ENN Gas Company Limited (鹽城新奥燃氣有限公司)

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128 . .	Routine Inspection Management Software for Residential Natural Gas Pipelines and Equipment (民用天然氣管道及設備定期巡查管理軟件)	2017SR410441	2016.06.10	2016.06.20	Yancheng ENN Gas Company Limited (鹽城新奥燃氣有限公司)
129 . .	ENN Gas Comprehensive Operation Management Software (新奥燃氣運營綜合管理軟件)	2017SR410428	2015.10.20	2015.10.30	Yancheng ENN Gas Company Limited (鹽城新奥燃氣有限公司)
130 . .	ENN Gas Leakage Detection and Alarm System (新奥燃氣漏氣檢測報警系統)	2017SR410399	2015.10.20	2015.10.30	Yancheng ENN Gas Company Limited (鹽城新奥燃氣有限公司)
131 . .	Yancheng ENN Multi-source Integrated Information Processing System for Gas Services (鹽城新奥燃氣多源融合信息綜合處理系統)	2018SR001188	2017.11.07	2017.11.07	Yancheng ENN Energy Development Company Limited (鹽城新奥能源發展有限公司)
132 . .	Yancheng ENN Big Data Multi-source Information Fusion Processing System for Gas Services (鹽城新奥大數據燃氣多源信息融合處理系統)	2018SR000436	2017.11.01	2017.11.01	Yancheng ENN Energy Development Company Limited (鹽城新奥能源發展有限公司)
133 . .	Yancheng ENN Remote Video Monitoring and Control System for Gas Pipelines (鹽城新奥燃氣管道遠程監控視頻控制系統)	2018SR001194	2017.11.08	2017.11.08	Yancheng ENN Energy Development Company Limited (鹽城新奥能源發展有限公司)
134 . .	Yancheng ENN Gas Cloud Platform Digital Generator Control Software (鹽城新奥燃氣雲平台數字生成器控制軟件)	2018SR002006	2017.11.10	2017.11.10	Yancheng ENN Energy Development Company Limited (鹽城新奥能源發展有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
135 . .	Yancheng ENN "Internet + Gas" One-stop Promotion Service System (鹽城新奧互聯網+燃氣一站式推廣營銷服務系統)	2018SR002251	2017.11.06	2017.11.06	Yancheng ENN Energy Development Company Limited (鹽城新奥能源發展有限公司)
136 . .	Yancheng ENN Multi-sensor Digital Gas Monitoring Service System (鹽城新奧多傳感器燃氣監測數字化服務系統)	2018SR000762	2017.11.03	2017.11.03	Yancheng ENN Energy Development Company Limited (鹽城新奥能源發展有限公司)
137 . .	"e-City e-Home" Life Service iOS Application Software [Abbreviated as: "e-City e-Home"] V5.0 (e城e家生活服務iOS版應用軟件[簡稱:e城e家] V5.0)	2017SR165572	2015.03.01	2015.03.01	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
138 . .	"e-City e-Home" Life Service Android Application Software [Abbreviated as: "e-City e-Home"] V5.0 (e城e家生活服務安卓版應用軟件[簡稱:e城e家]V5.0)	2017SR299106	2015.03.01	2015.03.01	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
139 . .	"e-City e-Home" Gas Sales Outlet System [Abbreviated as: Comprehensive Gas Sales Outlet System] V1.0 (e城e家燃氣營業廳系統[簡稱:燃氣營業廳綜合系統]V1.0)	2018SR840345	2016.08.20	2016.08.20	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
140 . .	"e-City e-Home" Visual Gas Safety Inspection System [Abbreviated as: Visual Safety Inspection] V1.0 (e城e家燃氣安檢可視化系統[簡稱:安檢可視化]V1.0)	2018SR840628	2017.10.20	2017.10.20	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
141 . .	"e-City e-Home" Merchant iOS System [Abbreviated as: "e-City e-Home" Merchant] V2.3.2 (e城e家商家端iOS系統[簡稱:e城e家商家端]V2.3.2)	2018SR1015848	2018.05.14	2018.08.04	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
142 . .	"e-City e-Home" Merchant Android System [Abbreviated as: "e-City e-Home" Merchant] V2.3.2 (e城e家商家端安卓系統[簡稱:e城e家商家端]V2.3.2)	2018SR1014228	2018.05.14	2018.08.04	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
143 . .	e-City e-Home User App Android System [Abbreviated as: e-City e-Home User App] V5.4.3 (e城e家用戶APP Android版系統[簡稱:e城e家用戶APP]V5.4.3)	2018SR840315	2018.06.25	2018.06.25	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
144 . .	e-City e-Home User App iOS System [Abbreviated as: e-City e-Home User App] V5.4.3 (e城e家用戶APP iOS版系統[簡稱:e城e家用戶APP]V5.4.3)	2018SR840373	2018.06.25	2018.06.25	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
145 . .	e-City e-Home Technician Android System [Abbreviated as: e-City e-Home Technician Version] V1.74 (e城e家師傅端安卓系統[簡稱:e城e家師傅端]V1.74)	2018SR1015789	2018.07.06	2018.08.16	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
146 . .	e-City e-Home Service Provider Android System [Abbreviated as: e-City e-Home Service Provider Version] V1.06 (e城e家服務者端安卓系統[簡稱:e城e家服務者端]V1.06)	2018SR1015782	2018.07.24	2018.07.24	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
147 . .	e-City e-Home Payment and Settlement System [Abbreviated as: Payment and Settlement System] V1.1.0 (e城e家支付結算系統[簡稱:支付結算系統]V1.1.0)	2018SR1014223	2018.08.03	2018.08.03	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
148 . .	e-City e-Home Intelligent Work Order Dispatch System [Abbreviated as: e-City e-Home Work Order Dispatch System] V1.0.0 (e城e家智能派工系統[簡稱:e城e家派工系統]V1.0.0)	2018SR1014782	2018.08.08	2018.08.27	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
149 . .	e-City e-Home Operation Backend System [Abbreviated as: e-City e-Home Operation System] V3.0 (e城e家運營後台系統[簡稱:e城e家運營系統]V3.0)	2018SR1014231	2018.08.08	2018.08.18	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
150 . .	Call Center System V1.0 (呼叫中心系統V1.0)	2019SR0872223	2018.12.12	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
151 . .	e-City e-Home Mall Business Operation Backend Management System V1.0 (E城E家商城業務運營後台管理系統V1.0)	2019SR0871507	2018.12.19	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
152 . .	Housekeeping Business Operation Subsystem V1.0 (家政業務系統運營子系統V1.0)	2019SR0871733	2018.12.24	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
153 . .	Smart Gas Cloud Platform Safety Inspection System V1.0 (智慧燃氣雲平台安檢系統V1.0)	2019SR1319803	2019.04.17	2019.04.17	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)

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154 . .	Intelligent Work Order Dispatch System [Abbreviated as: Work Order Dispatch System] V4.0 (智能派工調度系統[簡稱:派工系統]V4.0)	2019SR1316713	2019.06.12	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
155 . .	Smart Gas Cloud Platform Mall System V1.0 (智慧燃氣雲平台商城系統V1.0)	2019SR1319655	2019.07.11	2019.07.11	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
156 . .	Smart Gas Cloud Platform Billing and Payment System V1.0 (智慧燃氣雲平台計費繳費系統V1.0)	2019SR1326333	2019.09.10	2019.09.10	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
157 . .	Smart Gas Service Provider – Mall Module iOS System [Abbreviated as: Smart Gas Service Provider – Mall Module] V1.0 (智慧燃氣服務者商城模塊iOS系統[簡稱:智慧燃氣服務者商城模塊]V1.0)	2019SR1326344	2019.09.10	2019.09.10	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
158 . .	Smart Gas Service Provider – Mall Module Android System [Abbreviated as: Smart Gas Service Provider – Mall Module] V1.0 (智慧燃氣服務者商城模塊Android系統[簡稱:智慧燃氣服務者商城模塊]V1.0)	2019SR1320204	2019.09.10	2019.09.10	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)

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159 . .	Smart Gas Service Provider – Safety Inspection Module iOS System [Abbreviated as: Smart Gas Service Provider – Safety Inspection Module] V1.0 (智慧燃氣服務者安檢模塊iOS系統[簡稱:智慧燃氣服務者安檢模塊]V1.0)	2019SR1316937	2019.09.10	2019.09.10	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
160 . .	Smart Gas Service Provider – Safety Inspection Module Android System [Abbreviated as: Smart Gas Service Provider – Safety Inspection Module] V1.0 (智慧燃氣服務者安檢模塊Android系統[簡稱:智慧燃氣服務者安檢模塊]V1.0)	2019SR1316947	2019.09.10	2019.09.10	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
161 . .	Smart Gas Service Provider – Meter Reading Module Android System [Abbreviated as: Smart Gas Service Provider – Meter Reading Module] V1.0 (智慧燃氣服務者抄錶模塊Android系統[簡稱:智慧燃氣服務者抄錶模塊]V1.0)	2019SR1317033	2019.09.10	2019.09.10	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
162 . .	Smart Gas Service Provider – Meter Reading Module iOS System [Abbreviated as: Smart Gas Service Provider – Meter Reading Module] V1.0 (智慧燃氣服務者抄錶模塊iOS系統[簡稱:智慧燃氣服務者抄錶模塊]V1.0)	2019SR1317023	2019.09.10	2019.09.10	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)

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163 . .	e-City e-Home Modern Residence Android System [Abbreviated as: Modern Residence] V3.11.7 (e城e家潮家安卓系統[簡稱:潮家]V3.11.7)	2020SR0069470	2019.09.20	2019.11.05	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
164 . .	Autobots Automated Testing Platform [Abbreviated as: Autobots] V1.0 (Autobots自動化測試平台[簡稱:Autobots]V1.0)	2019SR1319464	2019.09.22	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
165 . .	Sales Outlet Mini Program House Call Service System [Abbreviated as: Sales Outlet Mini Program House Call Service] V2.2.9 (營業廳小程序上門服務系統[簡稱:營業廳小程序上門服務]V2.2.9)	2020SR0061920	2019.10.10	2019.10.11	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
166 . .	Big Data Credit Model and Application System [Abbreviated as: Credit Model] V1.0 (大數據誠信模型及應用體系系統[簡稱:誠信模型]V1.0)	2021SR0783805	2019.10.25	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
167 . .	Procurement Management System [Abbreviated as: Procurement System] 1.0.0 (採購管理系統[簡稱:採購系統]1.0.0)	2020SR0060552	2019.10.30	2019.10.30	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
168 . .	e-City e-Home Management Android System [Abbreviated as: e-City e-Home Management Version] V1.0 (e城e家管理端Android系統[簡稱:e城e家管理端]V1.0)	2020SR0142249	2019.11.26	2019.11.26	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)

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169 . .	e-City e-Home Management-end iOS System [Abbreviated as: e-City e-Home Management Version] V1.0 (e城e家管理端iOS系統[簡稱:e城e家管理端]V1.0)	2020SR0142248	2019.11.26	2019.11.26	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
170 . .	Shuxin Geruiyuan Application Software [Abbreviated as: Shuxin Geruiyuan] V1.0 (數信格瑞院應用軟件[簡稱:數信格瑞院]V1.0)	2021SR0745374	2020.04.29	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
171 . .	Shuxin Geruiyuan iOS Application Software [Abbreviated as: Shuxin Geruiyuan] V1.0 (數信格瑞院iOS版應用軟件[簡稱:數信格瑞院]V1.0)	2021SR0745375	2020.04.29	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
172 . .	e-City Merchant Connect iOS System [Abbreviated as: e-City Merchant Connect] V1.0 (e城商戶通iOS系統[簡稱:e城商戶通]V1.0)	2021SR0285223	2020.12.17	2020.12.17	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
173 . .	e-City Merchant Connect Android System [Abbreviated as: e-City Merchant Connect] V1.0 (e城商戶通Android系統[簡稱:e城商戶通]V1.0)	2021SR0285222	2020.12.17	2020.12.17	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
174 . .	Indoor Safety Risk Map Software [Abbreviated as: Risk Map] V1.0 (戶內安全風險地圖軟件[簡稱:風險地圖]V1.0)	2022SR0116507	2021.06.30	2021.06.30	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)

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175 . .	Smart Home IoT Operation Platform [Abbreviated as: Smart Home IoT] V1.0 (家庭物聯智慧運營平台[簡稱:家庭物聯]V1.0)	2022SR0155305	2021.08.15	2021.08.30	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
176 . .	Smart Gas Cloud Platform Materials Management System [Abbreviated as: Gas Cloud Materials Management System] V1.0 (智慧燃氣雲平台物資管理系統[簡稱:燃氣雲物資管理系統]V1.0)	2022SR0115353	2021.09.23	2021.10.14	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
177 . .	E-Cheng E-Jia Marketplace Distribution Mini Program [Abbreviated as: e-Home Share] V1.0 (一城一家集市分銷小程序[簡稱:e家分享]V1.0)	2022SR0115391	2021.10.11	2021.10.11	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
178 . .	Smart Gas Cloud Platform – Operation Diagnostic System [Abbreviated as: Operation Diagnostic] V1.1 (智慧燃氣雲平台–運營診斷系統[簡稱:運營診斷]V1.1)	2022SR0111909	2021.10.21	2021.10.21	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
179 . .	Indoor Smart Gas Four-in-One Detection System [Abbreviated as: Smart Four-in-One Device App] 3.7.7 (戶內燃氣智能四合一檢測系統[簡稱:智能四合一設備APP]3.7.7)	2022SR0116396	2021.11.18	2021.11.18	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
180 . .	Miscellaneous Business Online System [Abbreviated as: Miscellaneous Online] V1.0 (零星業務線上化系統[簡稱:零星線上化] V1.0)	2024SR1756505	2024.08.29	2024.08.29	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)

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181 . .	OMS Operation Platform [Abbreviated as: OMS Platform] V1.1.2 (OMS運營平台[簡稱:OMS平台] V1.1.2)	2024SR1624958	2024.03.01	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
182 . .	e-City e-Home Content Publishing Platform [Abbreviated as: Content Platform] V1.3 (e城e家內容發佈平台[簡稱:內容平台]V1.3)	2024SR1624978	2024.02.15	Not published yet	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)
183 . .	Natural Gas Station Management System V1.0 (天然氣站管理系統V1.0)	2018SR751688	2015.07.20	2015.07.22	Yongzhou ENN Gas Company Limited (永州新奧燃氣有限公司)
184 . .	Intelligent Monitoring and Alarm System for Hazardous Substances in Natural Gas V1.0 (天然氣危險物智能監測報警系統V1.0)	2018SR749856	2015.08.18	2015.08.20	Yongzhou ENN Gas Company Limited (永州新奧燃氣有限公司)
185 . .	Visual Full-process Management System for Natural Gas Pipeline Laying V1.0 (天然氣管道鋪設全過程可視化系統V1.0)	2018SR748678	2016.08.10	2016.08.12	Yongzhou ENN Gas Company Limited (永州新奧燃氣有限公司)
186 . .	Intelligent Security System for Natural Gas Stations V1.0 (天然氣場站智能安防系統V1.0)	2018SR748593	2016.09.15	2016.09.17	Yongzhou ENN Gas Company Limited (永州新奧燃氣有限公司)
187 . .	SCADA Technical System for Natural Gas Pipelines V1.0 (天然氣管道SCADA技術系統V1.0)	2018SR748590	2016.10.11	2016.10.15	Yongzhou ENN Gas Company Limited (永州新奧燃氣有限公司)
188 . .	e-City e-Home Smart Payment System for Natural Gas V1.0 (天然氣e城e家智能繳費系統V1.0)	2018SR749376	2017.09.09	2017.09.13	Yongzhou ENN Gas Company Limited (永州新奧燃氣有限公司)

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189 . .	Remote Real-time Safety Monitoring System for Natural Gas V1.0 (天然氣安全遠程實時監測系統V1.0)	2018SR751691	2017.10.04	2017.10.16	Yongzhou ENN Gas Company Limited (永州新奧燃氣有限公司)
190 . .	Laser Detection System for Natural Gas Leakage V1.0 (天然氣洩漏激光檢測系統V1.0)	2018SR749363	2017.11.20	2017.11.22	Yongzhou ENN Gas Company Limited (永州新奧燃氣有限公司)
191 . .	Urban Gas Dispatching Statistical Analysis System (城鎮燃氣調度統計分析系統)	2019SR0704946	2019.04.26	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
192 . .	Synchronous Management System for "Gas SCADA System" ("燃氣SCADA系統"同步管理系統)	2019SR0705728	2018.11.10	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
193 . .	Employee Benefits Determination Management System (工福計量管理系統)	2018SR686024	2017.03.05	2017.04.21	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
194 . .	Automatic Pressure Reduction Management System for Urban Gas Supply (城市燃氣供給自動壓減管理系統)	2018SR537469	2018.02.11	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
195 . .	Industrial and Commercial User Billing Management System (工商戶賬務管理系統)	2018SR529133	2017.04.20	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
196 . .	Smart Meter Reading System Based on NB-IoT (基於NB-IoT的智能抄錶系統)	2018SR433672	2018.04.10	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
197 . .	Engineering Materials Auto Verification Software (工程材料自動核銷軟件)	2017SR742278	2016.12.05	2017.04.21	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)

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198 . .	Urban Gas Pipeline Network Data Publication and Management System (城市燃氣管網信息數據發佈中心管理系統)	2017SR274322	2016.10.06	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
199 . .	Urban Gas Industrial and Commercial User Gas Volume Management and Analysis System (城鎮燃氣工商戶氣量管理分析系統)	2017SR274332	2016.10.06	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
200 . .	Urban Gas Industrial and Commercial User Safety Inspection Management System (城鎮燃氣工商戶安檢管理系統)	2017SR271597	2016.10.06	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
201 . .	Shijiazhuang ENN Metering Management System (石家莊新奧錶計管理系統)	2016SR251162	2016.04.08	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
202 . .	Shijiazhuang ENN Full-process Project Management Platform (石家莊新奧項目全流程管理平台)	2016SR251158	2016.04.08	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
203 . .	Shijiazhuang ENN Gas Pipeline Integrity Management Platform (石家莊新奧燃氣管道完整性管理平台)	2016SR249929	2016.04.08	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
204 . .	Comprehensive Safety Inspection Information Management System (安檢信息綜合管理系統)	2016SR121423	2013.01.08	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
205 . .	Industrial and Commercial User Instrument Management System (工商戶儀錶管理系統)	2016SR120065	2015.12.21	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
206 . .	Urban Gas Transmission and Distribution Comprehensive Analysis System (城市燃氣輸配綜合分析系統)	2015SR287492	2015.10.26	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
207 . .	Mobile Communication Center Management System (移動通訊中心管理系統)	2014SR195513	2014.07.30	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
208 . .	Urban Gas Pipeline Network Integrated Management System (城市燃氣管網綜合管理系統)	2014SR195508	2014.05.20	Not published yet	Shijiazhuang ENN Gas Company Limited (石家莊新奧燃氣有限公司)
209 . .	Intelligent Scheduling and Distribution Management Platform (智能調度配送管理平台)	2019SR1221615	2018.10.12	2018.11.02	Haomaiqi
210 . .	Greatgas Gas Energy Trading Platform (好氣網燃氣能源交易平台)	2021SR0067985	2020.04.30	2020.05.15	Haomaiqi
211 . .	SmartTreasure Natural Gas Programme Management Platform (天然氣智慧寶計劃管理平台)	2021SR0058836	2020.08.07	2020.09.02	Haomaiqi
212 . .	Intelligent Vehicle Dispatch Supervision System (智能調度車輛監管系統)	2021SR0058837	2020.08.10	2020.09.10	Haomaiqi
213 . .	Intelligent Scheduling LNG Smart Sales Index Quotation System V1.0 (智能調度液化天然氣智能銷售指數報價系統V1.0)	2022SR0177981	2021.06.24	2021.07.01	Haomaiqi
214 . .	Greatgas Resource Provider Flagship Store Bidding Trading System V1.0 (好氣網資源商旗艦店競價交易系統V1.0)	2021SR2188205	2021.01.15	2021.02.05	Haomaiqi
215 . .	Greatgas Buyer Emergency Procurement System V1.0 (好氣網買方應急求購系統V1.0)	2022SR0172783	2021.09.10	2021.10.15	Haomaiqi

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
216 . .	Intelligent Scheduling Terminal Client Gas Usage Plan Reporting and Management System V1.0 (智能調度終端客戶用氣計劃上報管理系統V1.0)	2022SR0173024	2021.09.16	2021.10.01	Haomaiqi
217 . .	Greatgas City Gas Key Account Trading System V1.0 (好氣網城燃大客戶交易系統V1.0)	2023SA0025153	2023.06.18	Not published yet	Haomaiqi
218 . .	Haoyongqi V1.0 (好用氣V1.0)	2023SA0028167	2023.06.30	2023.06.30	Haomaiqi
219 . .	SaaS Label Product Platform V1.0 (SaaS標籤產品平台V1.0)	2024SR1139825	2023.06.01	Not published yet	Haomaiqi
220 . .	Customer Insight System Software (客戶認知系統軟件)	2024SR2188112	2023.12.31	Not published yet	Haomaiqi
221 . .	Customer Contract System Software (客戶合同系統軟件)	2024SR2179648	2023.12.31	Not published yet	Haomaiqi
222 . .	Gas Consumption Forecasting System (用氣量預測系統)	2024SR2179629	2023.12.30	Not published yet	Haomaiqi
223 . .	Mobile-based Network Design Platform V1.0 (基於移動端的網絡設計平台V1.0)	2018SR189870	2017.09.01	2017.09.29	Xindi Energy
224 . .	Smart Pipeline Network Information Data Collection Application System V1.0 (智慧管網信息化數據採集應用系統V1.0)	2022SR0251848	2021.10.29	Not published yet	Xindi Energy
225 . .	Inertial Navigation Pipeline Gyroscope Device Operating System V1.0 (慣性導航管道陀螺儀設備操作系統V1.0)	2022SR1354439	2022.04.25	Not published yet	Xindi Energy
226 . .	EPC Digital Intelligence Platform V1.0 (EPC工程數智平台V1.0)	2024SR0316239	2023.11.23	Not published yet	Xindi Energy

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
227 . .	Oblique Photography Point Cloud Visualization System V1.0 (傾斜攝影點雲可視化系統V1.0)	2024SR0428509	2024.01.31	Not published yet	Xindi Energy
228 . .	3D Laser Point Cloud Data Management System V1.0 (三維激光點雲數據管理系統V1.0)	2024SR1306539	2022.05.13	Not published yet	Xindi Energy
229 . .	Intelligent On-site Inspection System Software (智能現場巡檢系統軟件)	2023SR0116755	2022.02.15	2022.02.16	ENN Zhoushan
230 . .	Unmanned Dispatch System Software (無人值守發運系統軟件)	2023SR0116759	2022.07.05	2022.07.06	ENN Zhoushan
231 . .	Digitalized Production Scheduling System Software (數智化生產調度系統軟件)	2023SR0116758	2022.02.15	2022.02.16	ENN Zhoushan
232 . .	LNG Receiving Station Multimodal Transport App (Android) System V1.8 (LNG接收站多式聯運APP(Android)系統V1.8)	2021SR1444622	2021.02.10	2021.02.18	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)
233 . .	Municipal Hazardous Chemicals Supervision and Law Enforcement SaaS Platform V2.1 (市級危化品監管執法SaaS平台V2.1)	2021SR1444623	2021.04.13	2021.04.21	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)
234 . .	Yuntuyun Driver App (Android) System (運途雲司機APP(Android)系統)	2021SR1465532	2021.06.07	2021.06.16	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)
235 . .	Yuntuyun Hazardous Chemicals Supply Chain Delivery Management Platform V2.0 (運途雲危化品供應鏈交付管理平台V2.0)	2021SR1445799	2021.06.22	2021.06.29	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)

No.	Name of Copyright	Registration Number	Date of Development Completion	Date of First Publication	Registered Owner
236 . .	LNG Receiving Station Liquid Cargo Delivery Platform V1.0 (LNG接收站液態出貨平台V1.0)	2023SR1450445	2023.06.15	2023.06.21	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)
237 . .	LNG Loading Safety Inspection App (Android) [Abbreviated as: LNG Loading Safety Inspection App] V1.0 (LNG裝車安檢APP (Android)[簡稱:LNG裝車安檢APP]V1.0)	2023SR0347394	2022.03.01	2022.03.20	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)
238 . .	Hangjiaxin LNG Emergency Peak-shaving Station Liquid Cargo Delivery Platform V1.0 (杭嘉鑫LNG應急調峰站液態出貨平台V1.0)	2023SR0385037	2021.12.19	2021.12.27	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)
239 . .	Smart Road Safety System for Business Vehicles [Abbreviated as: Group Vehicle System] V1.0 (商務車輛道路安全智慧系統[簡稱:集團車系統]V1.0)	2023SR0380588	2021.12.30	2021.12.31	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)
240 . .	Yahai Energy Sales and Logistics Management Platform (Management-end) V1.0 (雅海能源銷售物流管理平台(管理端)V1.0)	2023SR0350823	2022.03.01	2022.03.20	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)
241 . .	Yahai Energy Sales and Logistics Management Platform (Trade-end) V1.0 (雅海能源銷售物流管理平台(貿易端)V1.0)	2023SR0347330	2022.03.01	2022.03.20	Yuntuyun (Beijing) Technology Company Limited (運途雲(北京)科技有限公司)

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Contracts and Appointment Letters

We [have entered] into a service contract or appointment letter with each of the Directors. The principal particulars of these service contracts and appointment letters include the term of the service and termination provisions. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

2. Remuneration of Directors and Former Supervisors

The aggregate remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses, but excluding share-based compensation expenses) for our Directors, former Directors, and former supervisors for the years ended December 31, 2022, 2023 and 2024, were approximately RMB27,100,000, RMB15,553,000 and RMB19,676,000, respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors, former Directors, former supervisors or the five highest-paid individuals as an inducement to join or upon joining our Company.

No compensation was paid by us to, or receivable by, our Directors, former Directors, former supervisors or the five highest-paid individuals during the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of the Directors, former Directors, or former supervisors had waived or agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 31, 2022, 2023 and 2024 by any member of our Group to any of our Directors, former Directors, former supervisors or the five highest-paid individuals.

3. Disclosure of Interests

(a) Interests in the Shares of our Company

For information on the persons (other than our Directors and chief executive of our Company) who will, immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company, see "Substantial Shareholders" in this Document.

(b) Interests in our Company's Major Subsidiaries

Our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with paragraph 45(2) of Appendix D1A to the Hong Kong Listing Rules in relation to the disclosure of each person (apart from the Directors or chief executive of our Company) who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities. For details, see "Waivers — Waiver in relation to the Particulars of Information of Our Subsidiaries."

So far as the Directors are aware, the following persons (other than our Directors, the chief executive of our Company, and any member of our Group) will, immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of the Major Subsidiaries:

Our Major Subsidiaries	Parties with 10% or more equity interests	Approximate percentage of shareholding
		(%)
ENN Zhoushan	Prism Energy International Pte. Ltd	10
Haomaiqi	ENN Xinzhi	49
Dongguan ENN	Dongguan Xinfeng Pipeline Gas Co., Ltd (東莞市新鋒管道燃氣有限公司)	45

(a) Disclosure of Interests of Directors and Chief Executive

Upon [**REDACTED**] of the [**REDACTED**] and Privatization (assuming that there has been no other change to the issued share capital of our Company and ENN Energy and holdings of our Shares and ENN Energy Shares since the Latest Practicable Date), so far as our Directors are aware, the interest or short position of our Directors or chief executive in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, will be as follows:

(i) Interests in our Company

		As of the Latest Practicable Date			Approximate percentage of interests immediately following [REDACTED] of the [REDACTED] and the Privatization (assuming that there has been no other change to the issued share capital of our Company and ENN Energy and holdings of our Shares and ENN Energy Shares since the Latest Practicable Date)		
Name of Shareholder	**Nature of Interest**	**Description of Shares[(1)]**	**Number of Shares[(2)]**	**Approximate percentage of interests in the total issued share capital of the Company**	**Number of Shares[(2)]**	**Approximate percentage of interests in our A Shares**	**Approximate percentage of interests in the total issued share capital of the Company**
JIANG Chenghong	Beneficial Owner	A Shares	2,082,568	0.07%	[REDACTED]	[REDACTED]	[REDACTED]
YU Jianchao	Beneficial Owner	A Shares	2,600,000	0.08%	[REDACTED]	[REDACTED]	[REDACTED]
HAN Jishen	Beneficial Owner	A Shares	1,193,800	0.04%	[REDACTED]	[REDACTED]	[REDACTED]
ZHANG Yuying	Beneficial Owner	A Shares	1,450,000	0.05%	[REDACTED]	[REDACTED]	[REDACTED]
WANG Yusuo	Beneficial Owner	A Shares	1,911,750	0.06%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation	A Shares	2,241,538,058[(3)]	72.38%	[REDACTED]	[REDACTED]	[REDACTED]
ZHANG Jin	Beneficial Owner	A Shares	682,500	0.02%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

1. For the avoidance of doubt, both A Shares and H Shares are ordinary Shares in the share capital of our Company and are considered as one class of Shares.

2. All interests stated are long positions.

3. Mr. WANG Yusuo is deemed to be interested in the A Shares held by EGII, ENN Investment, ENN Technology, Langfang Heyuan and Hebei Weiyuan under the SFO, of which a total of 367,500,000 A Shares were pledged as of March 31, 2025. For details, see "Substantial Shareholders" in this Document.

(ii) Interests in our Associated Corporations

Shares

Name of Director/ Chief Executive	Position	Name of the Associated Corporations	Approximate Percentage of Interest in the Total Share Capital of the Associated Corporation
JIANG Chenghong . . .	Executive Director, chairman of the Board and joint chief executive officer	ENN Energy	0.01%
YU Jianchao	Executive Director and vice chairman of the Board	ENN Energy	0.01%
HAN Jishen.	Executive Director and joint chief executive officer	ENN Energy	0.02%
ZHANG Yuying	Executive Director and President	ENN Energy	0.02%
WANG Yusuo	Executive Director	ENN Energy	34.28%
ZHANG Jin.	Executive Director	ENN Energy	0.01%
WANG Yusuo	Executive Director	ENN Yingchuang	100%
WANG Yusuo	Executive Director	Langfang Natural Gas	100%
WANG Yusuo	Executive Director	ENN Capital	100%
WANG Yusuo	Executive Director	ENN Investment	100%
WANG Yusuo	Executive Director	EGII	100%
WANG Yusuo	Executive Director	Beijing Xinyi Aite Culture and Technology Company Limited (北京新繹愛特文化科技有限公司)	80%
WANG Yusuo	Executive Director	Xinyi Theater (Langfang) Culture Development Company Limited (新繹劇社(廊坊)文化發展有限公司)	100%

Name of Director/ Chief Executive	Position	Name of the Associated Corporations	Approximate Percentage of Interest in the Total Share Capital of the Associated Corporation
WANG Yusuo	Executive Director	ENN Group Co	99.69%
WANG Zizheng	Non-executive Director	Yicheng Yijia Internet Technology Company Limited (一城一家網絡科技有限公司)	1%
WANG Zizheng	Non-executive Director	Xin'ao Data IT Company Limited (新奧數能科技有限公司)	8%

Debenture

Name of Director/ Chief Executive	Position	Name of the Debenture	Capital (in USD)
WANG Yusuo	Executive Director	2.625% Green Senior Notes Due 2030 issued by ENN Energy (Stock Code: 40383)	30,024,000

4. Disclaimers

Save as disclosed herein:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [**REDACTED**];

(b) none of our Directors or any of the experts referred to under the paragraph headed "— E. Other Information — 4. Qualification and Consent of Experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this Document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) so far as is known to our Directors, no person (not being a Director or chief executive of our Company or any member of our Group) will, immediately following the [**REDACTED**] of H Shares on the Stock Exchange, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. SHARE SCHEMES

1. Share-based Compensation Scheme of ENN Energy

ENN Energy operated successive share option schemes ("**ENN Energy Share Option Schemes**") and a share award scheme ("**ENN Energy Share Award Scheme**") for the purpose of attracting, retaining and incentivising major employees. The eligible persons for the schemes include employees (including directors) and business consultants who contributed to the success of ENN Energy. ENN Energy has also formulated Shares and Options Management Regulations as ENN Energy's management guidelines for granting share options and shares of ENN Energy ("**ENN Energy Awarded Shares**"). The ENN Energy Board may, depending on the circumstances, impose any conditions, restrictions or limitations it may at its absolute discretion think fit when making an offer.

ENN Energy 2012 Share Option Scheme

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

As of the Latest Practicable Date, there are 5,448,426 ENN Energy Share Options (which entitle the holders to subscribe for 5,448,426 new ENN Energy Shares).

The ENN Energy 2012 Share Option Scheme was terminated pursuant to an ordinary resolution at the AGM held on May 18, 2022. Thereunder, no further options will be granted under the ENN Energy 2012 Share Option Scheme. For implications of the Privatization Proposal on the outstanding ENN Energy Share Options, see the sub-section headed "— ENN Energy Share Option Offer" below.

For details of the principal terms of ENN Energy 2012 Share Option Scheme, please refer to the circular of ENN Energy dated May 28, 2012.

ENN Energy 2022 Share Option Scheme

ENN Energy has adopted the "ENN Energy 2022 Share Option Scheme" of the ENN Energy Share Option Schemes pursuant to an ordinary resolution passed at an AGM of ENN Energy held on May 18, 2022. As at the Latest Practicable Date, ENN Energy has not granted any share options pursuant thereto.

Set out below is a summary of the principal terms of ENN Energy 2022 Share Option Scheme. This summary does not form part of, nor is it intended to be part of the rules of the ENN Energy 2022 Share Option Scheme.

(1) PURPOSE OF THE ENN ENERGY 2022 SHARE OPTION SCHEME

The purpose of the ENN Energy 2022 Share Option Scheme is for ENN Energy to attract, retain and motivate talented participants (meaning (i) any employee or director of any member of ENN Energy Group, or (ii) any employee or director of any holding company, fellow subsidiary or associated company of ENN Energy, as absolutely determined by the ENN Energy Board, the "**Participants**") to strive for future developments and expansion of the ENN Energy Group. The ENN Energy 2022 Share Option Scheme shall be an incentive to encourage the Participants to perform their best in achieving the goals of the ENN Energy Group and allow the Participants to enjoy the results of ENN Energy attained through their effort and contributions.

(2) BASIS OF ELIGIBILITY OF THE PARTICIPANTS

In determining the basis of eligibility of each Participant, the ENN Energy Board would mainly take into account of the experience of the Participant on the ENN Energy Group's business, the length of service of the Participant with the ENN Energy Group (if the Participant is an employee or a director of any member of the ENN Energy Group), the length of collaborative business relationship the Participant has established with the ENN Energy Group (if the Participant is an employee or a director of any holding company, fellow subsidiary or associated company of ENN Energy), and the amount of support, assistance, guidance, advice, efforts and contributions the Participant has exerted and given towards the success of the ENN Energy Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Participant is likely to be able to give or make towards the success of the ENN Energy Group in the future.

In determining the criteria for Participants who is an employee or a director of any holding company, fellow subsidiary or associated company of ENN Energy, the Board will also take into account of their relationship with the ENN Energy Group, the positive impact or synergy effect they have brought onto the ENN Energy Group's business development in the past (including advice and/or recommendation to the ENN Energy Group regarding strategic management, business research and development, technological support and professional consulting services and their contribution in enhancing the ENN Energy Group's operational competitiveness and business sustainability), their potential contribution to the business affairs of and the benefits to the ENN Energy Group in terms of proactively promoting/catalysing the continuing development and growth of the ENN Energy Group including the innovation, talents and expertise, or the valuable business opportunities, referrals or partnership which may be introduced so as to support the continual growth and business development of the ENN Energy Group, and any other factors which may contribute to the success of the ENN Energy Group.

(3) DURATION OF THE ENN ENERGY 2022 SHARE OPTION SCHEME

Subject to paragraph (21) below, the ENN Energy 2022 Share Option Scheme shall remain in force for a period of 10 years commencing on the adoption date (meaning the date on which the ENN Energy 2022 Share Option Scheme is conditionally adopted by an ordinary resolution passed in general meeting of the shareholders of ENN Energy, the "**Adoption Date**"), after which period no further ENN Energy Share Options will be issued but in all other respects the provisions of the ENN Energy 2022 Share Option Scheme shall remain in full force and effect and options which are granted during the life of the ENN Energy 2022 Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

(4) GRANT OF ENN ENERGY SHARE OPTIONS

Subject to the terms of the ENN Energy 2022 Share Option Scheme, the ENN Energy Board shall be entitled at any time within 10 years after the Adoption Date to make an offer of the grant of ENN Energy Share Option made by the ENN Energy Board (the "**Option Offer**") to any Participant as the ENN Energy Board may in its absolute discretion select to subscribe for such number of ENN Energy Shares as the ENN Energy Board may determine at the price per ENN Energy Share at which a grantee may subscribe for ENN Energy Shares on the exercise of an ENN Energy Share Option pursuant to the ENN Energy 2022 Share Option Scheme (the "**Subscription Price**") calculated in accordance with paragraph (5) below. Subject to the provisions of the ENN Energy 2022 Share Option Scheme and the Listing Rules, the ENN Energy Board may, when making an Option Offer, impose any conditions, restrictions or limitations in relation thereto as it may at its absolute discretion think fit.

An ENN Energy Share Option may be accepted by a Participant within 28 days from the date of the Option Offer and HK$1.00 is payable by the Participant to ENN Energy on acceptance of the Option Offer.

(5) SUBSCRIPTION PRICE

Subject to any adjustments made pursuant to paragraph (18) below, the Subscription Price shall be a price determined by the ENN Energy Board and notified to each Participant and will be at least the highest of (i) the closing price of the ENN Energy Shares as stated in the Stock Exchange's daily quotations sheet on the the Business Day on which the Option Offer is made to a Participant (the "**Offer Date**"), which must be a Business Day; (ii) the average closing price of the ENN Energy Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and (iii) the nominal value of an ENN Energy Share.

(6) EXERCISE OF ENN ENERGY SHARE OPTIONS

An ENN Energy Share Option shall be personal to a grantee (meaning any Participant who accepts an Option Offer in accordance with the terms of the ENN Energy 2022 Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled to any such ENN Energy Share Option in consequence of the death of the original grantee, the "**Grantee**") and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any ENN Energy Share Option. An ENN Energy Share Option may be exercised in accordance with the terms of the ENN Energy 2022 Share Option Scheme at any time during the option period (meaning a period to be determined by the ENN Energy Board at its absolute discretion and notified by the ENN Energy Board to each Grantee as being the period during which an ENN Energy Share Option may be exercised, such period to expire not later than 10 years commencing on the Offer Date, the "**Option Period**"), subject to paragraphs (8) to (12) below.

(7) MINIMUM HOLDING PERIOD AND PERFORMANCE TARGET

Generally, there is no minimum period for which an ENN Energy Share Option must be held nor is there any performance target that must be achieved before an option can be exercised. However, the directors of ENN Energy may in the Option Offer letter to be given by the ENN Energy Board to any particular Participant under the ENN Energy 2022 Share Option Scheme stipulate that the ENN Energy Share Options to be granted to this Participant would be subject to such minimum holding period and/or this Participant may have to achieve such performance target as may be stipulated in the Option Offer letter before his options can be exercised.

(8) RIGHTS ON CESSATION OF EMPLOYMENT, DIRECTORSHIP, OFFICE OR APPOINTMENT

In the event of the Grantee ceases to be a participant for any reason other than on his death or the termination of his employment, directorship, office or appointment on certain ground(s), the Grantee may exercise the ENN Energy Share Option up to his entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within the period of six months (or such longer period as the ENN Energy Board may determine) following the date of such cessation, which date shall be the last actual working day with the relevant member(s) of the ENN Energy Group, whether salary is paid in lieu of notice or not or the last date of office or appointment as an employee or a director of any holding company, fellow subsidiary or associated company of ENN Energy, as the case may be, failing which the ENN Energy Share Option will lapse.

(9) RIGHTS ON DEATH

If a Grantee dies before exercising the ENN Energy Share Option in full and none of certain events which would be a ground for termination of his employment, directorship, office or appointment arises, the personal representative(s) of the Grantee may exercise the ENN Energy Share Option up to the entitlement of such Grantee at the date of his death (to the extent but not already exercised) within a period of 12 months or such longer period as the ENN Energy Board may determine from the date of death, failing which the ENN Energy Share Option will lapse.

(10) RIGHTS ON A GENERAL OFFER

If a general offer by way of take-over is made to all the holders of ENN Energy Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) with the terms of the offer having been approved in accordance with applicable laws and regulatory requirements becoming or are declared unconditional, the Grantee (or the personal representative(s) of the Grantee) may by notice in writing to ENN Energy exercise the ENN Energy Share Option (to the extent which has become exercisable on the date of such notice and not already exercised) to its full extent or to the extent specified in such notice at any time within 14 days (or such longer period as the ENN Energy Board may determine) after the date on which the offer becomes or is declared unconditional.

(11) RIGHTS ON A COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between ENN Energy and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of ENN Energy or its amalgamation with any other company or companies, ENN Energy shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each shareholder or creditor of ENN Energy summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or the personal representative(s) of the Grantee) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of two months thereafter and the date on which such compromise or arrangement is sanctioned by the court exercise any of his options whether in full or in part, but the exercise of an ENN Energy Share Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all ENN Energy Share Options shall lapse except insofar as previously exercised under the ENN Energy 2022 Share Option Scheme. ENN Energy may require the Grantee (or the personal representative(s) of the Grantee) to transfer or otherwise deal with the ENN Energy Shares issued as a result of the exercise of ENN Energy Share Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such ENN Energy Shares been subject to such compromise or arrangement.

(12) RIGHTS ON VOLUNTARY WINDING UP OF ENN ENERGY

If a notice is given by ENN Energy to its shareholders to convene a shareholders' meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up ENN Energy, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, ENN Energy shall on the same date as or soon after it despatches such notice to convene the shareholders' meeting, give notice thereof to all Grantees and thereupon, each Grantee (or the legal personal representative(s) of the Grantee) may by notice in writing to ENN Energy (such notice shall be received by ENN Energy not later than 2 Business Days prior to the proposed general meeting (excluding any period(s) of closure of ENN Energy's share registers)) exercise the ENN Energy Share Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate subscription price for the ENN Energy Shares in respect of which the notice is given, whereupon ENN Energy shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, [**REDACTED**] the relevant ENN Energy Shares to the Grantee credited as fully paid.

(13) MAXIMUM NUMBER OF ENN ENERGY SHARES AVAILABLE FOR SUBSCRIPTION

(i) The total number of ENN Energy Shares which may be issued upon exercise of all ENN Energy Share Options to be granted under the ENN Energy 2022 Share Option Scheme and any other share option schemes of ENN Energy must not in aggregate exceed 5% of the total number of ENN Energy Shares in issue as at the date of approval of the ENN Energy 2022 Share Option Scheme, unless ENN Energy obtains an approval from its shareholders pursuant to sub-paragraph (ii) below. ENN Energy Share Options lapsed in accordance with the terms of the ENN Energy 2022 Share Option Scheme will not be counted for the purpose of calculating such 5% limit.

(ii) ENN Energy may seek approval by its shareholders in general meeting for refreshing the 5% limit set out in sub-paragraph (i) above under the ENN Energy 2022 Share Option Scheme such that the total number of ENN Energy Shares which may be issued upon exercise of all ENN Energy Share Options to be granted under the ENN Energy 2022 Share Option Scheme and any other share option schemes of ENN Energy under the limit as refreshed must not exceed 10% of the total number of ENN Energy Shares in issue as at the date of approval to refresh such limit. ENN Energy Share Options previously granted under the ENN Energy 2022 Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the ENN Energy 2022 Share Option Scheme or exercised ENN Energy Share Options) will not be counted for the purpose of calculating the limit as refreshed.

(iii) ENN Energy may seek separate approval by its shareholders in general meeting for granting ENN Energy Share Options beyond the 5% limit provided the ENN Energy Share Options in excess of the limit are granted only to Participants specially identified by ENN Energy before such approval is sought.

(iv) Notwithstanding the above but subject to sub-paragraph (v) below, the limit on the number of ENN Energy Shares which may be issued upon exercise of all outstanding ENN Energy Share Options granted and yet to be exercised under the ENN Energy 2022 Share Option Scheme and any other share options scheme of ENN Energy must not exceed 30% of the ENN Energy Shares in issue from time to time (or such higher percentage as may be allowed under the Listing Rules). No ENN Energy Share Options may be granted under the ENN Energy 2022 Share Option Scheme and any other share option scheme of ENN Energy if this will result in the limit being exceeded.

(v) ENN Energy may grant ENN Energy Options beyond any of the limits as set out in sub-paragraphs (i), (ii), (iii) and (iv) above to such extent as may be permitted under the Listing Rules from time to time.

(14) MAXIMUM ENTITLEMENT OF ENN ENERGY SHARES OF EACH PARTICIPANT

The total number of ENN Energy Shares issued and to be issued upon exercise of the ENN Energy Share Options granted under the ENN Energy 2022 Share Option Scheme and any other share option scheme of ENN Energy to each Participant (including both exercised, cancelled and outstanding ENN Energy Share Options) in any 12-month period shall not exceed 1% of the total number of ENN Energy Shares in issue (the "**Individual Limit**"). Any further grant of ENN Energy Share Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be subject to the issue of a circular to the shareholders of ENN Energy pursuant to the Listing Rules and the separate approval of the shareholders of ENN Energy in general meeting with such Participant and his associates (as defined in the Listing Rules) abstaining from voting. The number of ENN Energy Shares subject to the ENN Energy Share Options to be granted and the terms of the ENN Energy Share Options to be granted to such Participant shall be fixed before shareholders' approval and the date of ENN Energy Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price.

(15) GRANT OF ENN ENERGY SHARE OPTIONS TO CONNECTED PERSONS OF ENN ENERGY

(a) Any grant of options to a Participant who is a connected person (as defined in the Listing Rules), such as director, chief executive or substantial shareholder of ENN Energy or their respective associates (as defined in the Listing Rules), must be approved by the independent non-executive directors or the remuneration committee (excluding any director who is the proposed Grantee of an ENN Energy Share Option).

(b) Where the ENN Energy Board proposes to grant any ENN Energy Share Option to a Participant who is a substantial shareholder or an independent non-executive director, or any of their respective associates, would result in the ENN Energy Shares issued and to be issued upon exercise of all ENN Energy Share Options already granted and to be granted (including ENN Energy Share Option exercised, cancelled and outstanding) to him in the 12-month period up to and including the date of such grant:

i. representing in aggregate more than 0.1% of the total number of ENN Energy Shares in issue; and

ii. having an aggregate value, based on the closing price of the ENN Energy Shares at the date of each grant, in excess of HK$5,000,000;

such proposed grant of ENN Energy Share Options is subject to the approval of the shareholders of ENN Energy in general meeting with such Participant and his close associates (his associates if the Participant is a connected person) abstaining from voting and/or such other requirements prescribed under the Listing Rules from time to time. For the avoidance of doubt, any vote taken at the meeting to approve the grant of such ENN Energy Share Options must be taken on a poll.

(16) LAPSE OF AN ENN ENERGY SHARE OPTION

An ENN Energy Share Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

i. the expiry of the Option Period;

ii. the expiry of the periods referred to in paragraphs (8), (9) or (10) above;

iii. subject to the scheme of arrangement for reconstruction or amalgamation becoming effective, the expiry of the period referred to in paragraph (11) above;

iv. the date on which the Grantee ceases to be a participant by reason of the termination of his employment, directorship, office or appointment on the ground that he has been guilty of misconduct;

v. the close of the 2 Business Days prior to the general meeting of ENN Energy held for the purposes of approving the voluntary winding-up of the ENN Energy;

vi. the date on which the Grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any third party over or in relation to any ENN Energy Share Option (or enters into any agreement so to do) in breach of the ENN Energy 2022 Share Option Scheme; or

vii. the date on which the ENN Energy Share Option is cancelled by the ENN Energy Board as provided in paragraph (19) below.

(17) RANKING OF ENN ENERGY SHARES

ENN Energy Shares to be allotted and issued upon the exercise of an ENN Energy Share Option will be subject to the articles of association of ENN Energy for the time being in force and will rank pari passu in all respects with the fully paid ENN Energy Shares in issue on the date of their allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue.

Unless the context otherwise requires, references to "Shares" in the ENN Energy 2022 Share Option Scheme and in this section include references to shares in ENN Energy of any such nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of ENN Energy from time to time.

(18) REORGANIZATION OF CAPITAL STRUCTURE OF ENN ENERGY

In the event of an alteration in the capital structure of ENN Energy whilst any ENN Energy Share Option remains exercisable, whether by way of a capitalisation issue, rights issue, sub-division or consolidation of ENN Energy Shares or reduction of capital, such corresponding alterations (if any) shall be made to:

i. the number of ENN Energy Shares subject to the ENN Energy Share Option so far as unexercised; and/or

ii. the Subscription Price; and/or

iii. the limits set out in paragraph 13(i) to (v) above,

as the auditors of ENN Energy shall at the request of the ENN Energy Board, certify in writing (other than any such adjustments made on a capitalisation issue), either generally or as regards any particular Grantee, to be in their opinion fair and reasonable and that such alterations shall give a Grantee the same proportion of the issued share capital of ENN Energy (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers in relation to share option schemes) as that to which he or she is previously entitled prior to the adjustment, but so that no such alterations shall be made the effect of which would be to enable an ENN Energy Share to be issued at less than its nominal value. The capacity of the auditors in this paragraph is that of experts and their certification shall be final and binding on ENN Energy and the Grantees.

(19) CANCELLATION OF ENN ENERGY SHARE OPTIONS GRANTED

Subject to paragraphs (8) to (12) above, the ENN Energy Board may at any time at its absolute discretion cancel any ENN Energy Share Option granted but not exercised. Where ENN Energy cancels options and makes an Option Offer of grant of new ENN Energy Share Options to the same holder, the Option Offer of the grant of such new ENN Energy Share Options may only be made, under the ENN Energy 2022 Share Option Scheme with available ENN Energy Share Options (to the extent not yet granted and excluding the cancelled ENN Energy Share Options) within the limit approved by the shareholders of ENN Energy pursuant to the ENN Energy 2022 Share Option Scheme as detailed in paragraph (13) above.

(20) ALTERATION OF THE ENN ENERGY 2022 SHARE OPTION SCHEME

The provisions of the ENN Energy 2022 Share Option Scheme may be altered in any respect by resolution of the ENN Energy Board except that the definitions of "Grantee", "Option Period", "Participant" in sub-paragraph 1.1 and certain other provisions as set out in the provisions of the ENN Energy 2022 Share Option Scheme thereof and all such other matters set out in relevant provisions of the Listing Rules cannot be altered to the advantage of the Participants without the prior approval of the shareholders of ENN Energy in general meeting.

Any alteration to the terms and conditions of the ENN Energy 2022 Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the shareholders of ENN Energy in general meeting except where the alterations take effect automatically under the existing terms of the ENN Energy 2022 Share Option Scheme.

The amended terms of the ENN Energy 2022 Share Option Scheme or the ENN Energy Share Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Directors or scheme administrators in relation to any alteration to the terms of the ENN Energy 2022 Share Option Scheme must be approved by the shareholders of ENN Energy in general meeting.

(21) TERMINATION OF THE ENN ENERGY 2022 SHARE OPTION SCHEME

ENN Energy by resolution in general meeting or the ENN Energy Board may at any time terminate the operation of the ENN Energy 2022 Share Option Scheme and in such event no further ENN Energy Share Options will be offered but in all other respects the provisions of the ENN Energy 2022 Share Option Scheme shall remain in full force and effect.

ENN Energy Share Option Offer

As disclosed in the 3.5 Announcement, subject to the satisfaction of the Pre-Conditions (as defined in the 3.5 Announcement), the Offeror will make appropriate offers to the ENN Energy Share Option Holders in accordance with Rule 13 of the Takeovers Code to cancel all the ENN Energy Share Options in exchange for the ENN Share Option Offer Price (as defined in the 3.5 Announcement) in cash only.

The consideration for the cancellation of each ENN Energy Share Option represents the "see-through" price, which is the excess of the Cancellation Consideration Theoretical Value (as defined in the 3.5 Announcement) (being the aggregate of (a) the Cash Consideration and (b) the ENN-NG H Share Consideration Theoretical Value (as defined in the 3.5 Announcement), calculated on the basis of the ENN-NG H Share Theoretical Value estimated by the Valuation Adviser (as defined in the 3.5 Announcement) as at the Valuation Reference Date (as defined in the 3.5 Announcement) and the Share Exchange Ratio (as defined in the 3.5 Announcement)) over the exercise price of each ENN Energy Share Option.

The making of the ENN Energy Share Option Offer is subject to the satisfaction of the Pre-Conditions (as defined in the 3.5 Announcement). Even if the ENN Energy Share Option Offer is made, it will be conditional on the Scheme becoming effective. The ENN Energy Share Option Offer will lapse if any of the Conditions (as defined in the 3.5 Announcement) has not been satisfied or waived, as applicable, on or before the Scheme Long Stop Date.

In the event that (a) any ENN Energy Share Option has not been exercised and (b) the ENN Energy Share Option Holders do not accept the ENN Energy Share Option Offer in respect of such ENN Energy Share Option, such ENN Energy Share Option shall lapse upon the Scheme becoming effective according to the terms of the ENN Energy 2012 Share Option Scheme. It is expected that there will be no outstanding ENN Energy Share Options upon the Scheme becoming effective.

ENN Energy Share Award Scheme

On November 30, 2018, ENN Energy adopted the ENN Energy Share Award Scheme for a term of ten years under which the shares of ENN Energy may be granted to selected employees (including, without limitation, any executive directors and non-executive directors) of any members of the ENN Energy Group (the "**Selected Employees**") pursuant to the terms of the ENN Energy Share Award Scheme and the trust deed of the ENN Energy Share Award Scheme. The ENN Energy Share Award Scheme is mainly used as a supplement to the ENN Energy Share Option Schemes.

For details of the principal terms of ENN Energy Share Award Scheme, please refer to the announcement of ENN Energy dated November 30, 2018.

As at March 26, 2025, there were 19,984,600 ENN Energy Shares held in the trust under the ENN Energy Share Award Scheme, representing approximately 1.77% of the issued share capital of ENN Energy. As at the Latest Practicable Date, there were 379,000 ENN Energy Share Awards under the ENN Energy Share Award Scheme with the ENN Energy Share Award Price of HK$76.36. All such ENN Energy Share Awards would entitle holders to only receive the corresponding ENN Energy Share Award Notional Gains upon vesting and no ENN Energy Shares will be transferred to the relevant grantees upon vesting.

In view of the Privatization Proposal, the ENN Energy Board expects that, the ENN Energy Share Award Holders may continue to exercise their respective rights under the ENN Energy Share Award Scheme to request the vesting of the ENN Energy Share Awards granted to them and receive the corresponding ENN Energy Share Award Notional Gains in relation to such ENN Energy Share Awards. In the event that any ENN Energy Share Award Holder does not exercise their rights under the ENN Energy Share Award Scheme to request the vesting of their ENN Energy Share Awards on or before the Scheme becoming effective, it is intended that such ENN Energy Share Awards will be deemed to have vested on the effective date of the Scheme, such that no ENN Energy Share Awards will be outstanding upon the Scheme becoming effective. The ENN Energy Board proposes to terminate the ENN Energy Share Award Scheme subject to and upon the Scheme becoming effective.

2. 2021 Restricted Share Incentive Scheme and 2025 Restricted Share Incentive Scheme

The following is a summary of the principal terms of the 2021 Restricted Share Incentive Scheme and the 2025 Restricted Share Incentive Scheme (collectively, the "**Restricted Share Incentive Schemes**") in effect as of the Latest Practicable Date.

All the grants under the 2021 Restricted Share Incentive Scheme and 2025 Restricted Share Incentive Scheme [have been made] and no further grants will be made pursuant thereto after the completion of the Privatization. Therefore, the terms of the Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules.

Save as otherwise disclosed, the terms of each of the Restricted Share Incentive Schemes are substantially similar and are summarized below:

(a) Purpose

The purpose of the Restricted Share Incentive Schemes is to further improve our Company's long-term incentive mechanism, to attract and retain outstanding talents, to fully mobilize our Directors, senior management members, core management members and core business personnel, and to align the interests of our Shareholders with that of our Company and our core team members.

(b) Administration

The Restricted Share Incentive Schemes are subject to the approval of the Shareholders' meeting, administration by the Board and supervision by the Supervisor. We abolished the supervisory committee on May 28, 2025, following which, the principal functions of the supervisory committee has been replaced by the Audit Committee.

(c) Participants

The eligible participants of our 2021 Restricted Share Incentive Scheme and our 2025 Restricted Share Incentive Scheme include our Directors, senior management members, core management members and core business personnel, and exclude (i) independent Directors, Shareholders or actual controllers of our Company who, individually or collectively, hold 5% or more of our Shares and (ii) spouses, parents and children of the foregoing persons.

(d) Source and maximum number of Shares

The Shares underlying the Restricted Share Incentive Schemes shall be A Shares purchased by our Company from the secondary market. Each restricted Share granted represents the right to purchase one A Share within the agreed period at the grant price. The restricted Shares are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The number of restricted Shares granted under each of the Restricted Shares Incentive Schemes are as follows:

Restricted Share Incentive Scheme	Number of restricted Shares granted under the scheme
2021 Restricted Share Incentive Scheme	18,340,068
2025 Restricted Share Incentive Scheme	25,559,980

(e) Date of Grant and Term of the Restricted Share Incentive Schemes

The date on which the restricted Shares are granted shall be determined by the Board within 60 days from the date of approval of the Restricted Share Incentive Schemes by Shareholders' meeting. The grant of restricted Shares is subject to the approval of the Board and shall be registered and announced within 60 days after approval of the Restricted Share Incentive Schemes by Shareholders' meeting.

The 2021 Restricted Share Incentive Scheme will be effective from the date of completion of the grant of restricted Shares under such scheme until the date on which the restricted Shares granted under such scheme are no longer subject to any lock-up or have been repurchased and canceled, provided that the term of the 2021 Restricted Share Incentive Scheme shall not exceed 72 months. A total of 18,340,068 restricted Shares were granted under the 2021 Restricted Share Incentive Scheme, of which 17,210,000 restricted Shares were granted on March 26, 2021 and 1,130,068 restricted Shares were granted on September 22, 2021.

The 2025 Restricted Share Incentive Scheme will be effective from the date of completion of the grant of restricted Shares under such scheme until the date on which the restricted Shares granted under such scheme are no longer subject to any lock-up or have been repurchased and canceled, provided that the term of the 2025 Restricted Share Incentive Scheme shall not exceed 60 months. A total of 20,475,000 restricted Shares were granted under the 2025 Restricted Share Incentive Scheme on February 18, 2025.

(f) Lock-up for Directors and Senior Management

If the grantee is a Director or a member of senior management of the Company,

(i) during their term of employment with our Company, the Shares to be transferred by him/her in each year shall not exceed 25% of the total Shares he or she holds;

(ii) no Share held by such Director or senior management can be transferred within six months after termination of his or her employment with our Company;

(iii) income gained through sale of Shares within six months of the purchase or purchase of Shares within six months of the sale shall belong to our Company and will be forfeited by the Board; and

(iv) if there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with such amended laws and regulations.

(g) Conditions to the Grant of Restricted Shares

The restricted Shares under the Restricted Share Incentive Schemes will only be granted to selected participants if the following conditions are met:

(i) The following circumstances have not occurred with respect to our Company:

- an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year;

- an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control of the financial report for the most recent fiscal year;

- our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;

- applicable laws and regulations prohibit the implementation of share incentive; or

- circumstances as determined by the CSRC; and

(ii) with respect to a grantee, none of the following circumstances having occurred:

- the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

- the grantee has been regarded as an inappropriate person by the CSRC and its local office within the last 12 months;

- the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations within the last 12 months;

- the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

- the grantee is prohibited from participating in any share incentive of listed companies according to applicable laws and regulations; or

- other circumstances as determined by the CSRC.

(h) Unlocking of Restricted Shares

During the lock-up period, the restricted Shares granted to the grantee shall not be transferred or used as guarantee or for repayment of debt.

In addition, the restricted Shares will only be unlocked when (i) the conditions set out under paragraph (g) above are fulfilled and (ii) the annual assessment and performance targets as set out under the Restrictive Share Incentive Schemes are achieved.

In respect of the restricted Shares granted under the 2021 Restrictive Share Incentive Scheme on March 26, 2021 and the restricted Shares granted under the 2021 Restrictive Share Incentive Scheme on September 22, 2021, the restricted Shares will be unlocked after the lock-up period in accordance with the unlocking schedule as set out in the 2021 Restrictive Share Incentive Scheme as follows:

(i) unlocked in tranches of 25% during the unlocking period that occurs between the first trading day after expiration of 12 months from the date of grant and the last trading day after expiration of 24 months from the date of grant;

(ii) unlocked in tranches of 25% during the unlocking period that occurs between the first trading day after expiration of 24 months from the date of grant and the last trading day after expiration of 36 months from the date of grant;

(iii) unlocked in tranches of 25% during the unlocking period that occurs between the first trading day after expiration of 36 months from the date of grant and the last trading day after expiration of 48 months from the date of grant; and

(iv) unlocked in tranches of 25% during the unlocking period that occurs between the first trading day after expiration of 48 months from the date of grant and the last trading day after expiration of 60 months from the date of grant.

In respect of the restricted Shares granted under the 2025 Restrictive Share Incentive Scheme on February 18, 2025, the restricted Shares will be unlocked after the lock-up period in accordance with the unlocking schedule as set out in the 2025 Restrictive Share Incentive Scheme as follows:

(i) unlocked in tranches of 33% during the unlocking period that occurs between the first trading day after expiration of 12 months from the date of grant and the last trading day after expiration of 24 months from the date of grant;

(ii) unlocked in tranches of 33% during the unlocking period that occurs between the first trading day after expiration of 24 months from the date of grant and the last trading day after expiration of 36 months from the date of grant; and

(iii) unlocked in tranches of 34% during the unlocking period that occurs between the first trading day after expiration of 36 months from the date of grant and the last trading day after expiration of 48 months from the date of grant.

In respect of the restricted Shares to be granted under the 2025 Restrictive Share Incentive Scheme prior to the [**REDACTED**] (if any) ("**2025 Retained Restricted Shares**"), in the event that the grant of such 2025 Retained Restricted Shares is completed before the publication of the report for the 3rd quarter of 2025, the unlocking schedule thereof shall be consistent with that of the restricted Shares granted under the 2025 Restrictive Share Incentive Scheme on February 18, 2025 as set out above. In the event that the grant and the registration of the 2025 Retained Restricted Shares under the 2025 Restrictive Share Incentive Scheme is completed after the publication of the report for the 3rd quarter of 2025, the unlocking schedule thereof shall be as follows as set out in the 2025 Restrictive Share Incentive Scheme:

(i) unlocked in tranches of 50% during the unlocking period that occurs between the first trading day after expiration of 12 months from the date of grant and the last trading day after expiration of 24 months from the date of grant; and

(ii) unlocked in tranches of 50% during the unlocking period that occurs between the first trading day after expiration of 24 months from the date of grant and the last trading day after expiration of 36 months from the date of grant.

Each of the grantees is required to pay a grant price to purchase the A Shares from the Company upon fulfillment of all conditions in respect of the restricted Shares. The grant price payable per restricted Share shall not be less than the nominal value of each A Share and, shall not be lower than the followings (as the case may be):

(i) in respect of the 2021 Restricted Share Incentive Scheme:

- in the case of the restricted Shares granted under the 2021 Restrictive Share Incentive Scheme on March 26, 2021 and the restricted Shares granted under the 2021 Restrictive Share Incentive Scheme on September 22, 2021, the higher of:

  (1) 50% of the average trading price of the A Shares on the trading day prior to the announcement of the draft proposal for the 2021 Restricted Share Incentive Scheme; and

  (2) 50% of the average trading price of the A Shares during the 20 trading days prior to the announcement of the draft proposal for the 2021 Restricted Share Incentive Scheme; and

(ii) in respect of the 2025 Restricted Share Incentive Scheme:

- in the case of the restricted Shares granted under the 2025 Restricted Share Incentive Scheme on February 18, 2025 and the 2025 Retained Restricted Shares, the higher of:

  (1) 50% of the average trading price of the A Shares on the trading day prior to the announcement of the draft proposal for the 2025 Restricted Share Incentive Scheme; and

  (2) 50% of the average trading price of the A Shares during the 120 trading days prior to the announcement of the draft proposal for the 2025 Restricted Share Incentive Scheme.

The number of restricted Shares granted and/or the grant prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, distribution of dividends, subdivision of shares, placing, share reduction etc.

Our Company may repurchase the restricted Shares upon the occurrence of certain events set forth in the Restrictive Share Incentive Schemes (including but not limited to where there is a change in the grantee's position or termination of his/her employment).

Subject to the price adjustment mechanisms and other terms and conditions as set out under the Schemes, the price payable by our Company for the repurchase of restricted Shares shall be equivalent to the grant price of the relevant restricted Shares.

(i) Dividend and voting rights

In respect of the 2025 Restricted Share Incentive Scheme, upon transfer of the A Shares by our Company, the grantees of restricted Shares will be entitled to exercise the right of Shareholders, including but not limited to the right to receive dividends and voting rights. Before the unlocking of the restricted Shares, the restricted Shares shall be locked and such restricted Shares shall not be transferred or used to guarantee or repay debts.

(j) Outstanding restricted Shares

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under the Restricted Share Incentive Schemes was 15,570,017, representing approximately 0.29% of the issued Shares immediately following the [**REDACTED**] of the [**REDACTED**] and the Privatization (assuming that there has been no other change to the issued share capital of our Company and ENN Energy and holdings of our Shares and ENN Energy Shares since the Latest Practicable Date). The following table sets forth the number of outstanding restricted Shares granted to Directors, senior management or connected persons of our Company under the Restricted Share Incentive Schemes as of the Latest Practicable Date:

Name of grantee	Position in our Company	Date of grant	Number of outstanding restricted Shares	Grant Price	Lock-up period	Approximate percentage of issued Shares immediately after [REDACTED] of the [REDACTED] and the Privatization[(1)]
				(RMB)		
JIANG Chenghong . . .	Executive Director, chairman of the Board and joint chief executive officer	March 26, 2021 September 22, 2021	227,517	7.03 6.84	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[**REDACTED**]
		February 18, 2025	1,225,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[**REDACTED**]
YU Jianchao . . .	Executive Director and vice chairman of the Board	March 26, 2021	350,000	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[**REDACTED**]
		February 18, 2025	1,050,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[**REDACTED**]
HAN Jishen . . .	Executive Director and joint chief executive officer	March 26, 2021	350,000	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[**REDACTED**]
		February 18, 2025	350,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[**REDACTED**]

Name of grantee	Position in our Company	Date of grant	Number of outstanding restricted Shares	Grant Price	Lock-up period	Approximate percentage of issued Shares immediately after [REDACTED] of the [REDACTED] and the Privatization(1)
				(RMB)		
ZHANG Yuying. .	Executive Director and President	March 26, 2021	125,000	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	1,075,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]
ZHANG Jin . . .	Executive Director	March 26, 2021	150,000	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	300,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]
SU Li	Executive Vice President	March 26, 2021	125,000	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	675,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]
ZHANG Xiaoyang. . . .	Vice President	March 26, 2021	150,000	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	500,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]
HUANG Baoguang . . .	Vice President	March 26, 2021	62,500	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	300,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]

Name of grantee	Position in our Company	Date of grant	Number of outstanding restricted Shares	Grant Price	Lock-up period	Approximate percentage of issued Shares immediately after [REDACTED] of the [REDACTED] and the Privatization[1]
				(RMB)		
JIANG Yang . . .	Assistant to the President	March 26, 2021	75,000	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	550,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]
SUN Dianfei . . .	Assistant to the President	September 22, 2021	25,000	6.84	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	550,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]
WANG Bohan . .	Assistant to the President	February 18, 2025	600,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]
LIN Yan	Chief human resources director, assistant to the President	September 22, 2021	25,000	7.03	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	500,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]
LIANG Hongyu. .	Financial controller, assistant to the President and secretary to the Board	September 22, 2021	25,000	6.84	25%: 1 year 25%: 2 years 25%: 3 years 25%: 4 years	[REDACTED]
		February 18, 2025	475,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	[REDACTED]

Note:

(1) The calculation is based on the assumption that that there has been no other change to the issued share capital of our Company and ENN Energy and holdings of our Shares and ENN Energy Shares since the Latest Practicable Date.

The table below sets forth the details of outstanding restricted Shares granted to other grantees (excluding Directors, senior management and connected persons of our Company) under the Restricted Share Incentive Schemes as of the Latest Practicable Date:

Restricted Share Incentive Scheme	Number of grantees	Date of grant	Number of outstanding restricted Shares	Grant price	Lock-up period	Approximate percentage of issued Shares immediately after [REDACTED] of the [REDACTED] and the Privatization[(1)]
				(RMB)		
2021 Restricted Share Incentive Scheme	30	March 26, 2021	2,365,000	7.03	25%: 1 year 25%: 2 years	**[REDACTED]**
	5	September 22, 2021	140,000	6.84	25%: 3 years 25%: 4 years	**[REDACTED]**
2025 Restricted Share Incentive Scheme	59	February 18, 2025	11,375,000	9.79	33%: 1 year 33%: 2 years 34%: 3 years	**[REDACTED]**

Note:

(1) The calculation is based on the assumption that that there has been no other change to the issued share capital of our Company and ENN Energy and holdings of our Shares and ENN Energy Shares since the Latest Practicable Date.

E. OTHER INFORMATION

1. Estate duty

We have been advised that no material liability for estate duty would likely to fall upon any member of our Group under the PRC Law.

2. Litigation

Save as disclosed in this Document and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group that would have a material adverse effect on our Group's results of operations or financial condition.

3. Sole Sponsor

The Sole Sponsor has made an [**REDACTED**] on behalf of the Company to the [**REDACTED**] for [**REDACTED**] of, and permission to [**REDACTED**], the H Shares of the Company. All necessary arrangements have been made enabling the H Shares to be admitted into [**REDACTED**].

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The sponsor fee payable to the Sole Sponsor in connection with the [**REDACTED**] payable by our Company is [**REDACTED**] in aggregate.

4. Qualification and Consent of Experts

This Document contains statements made by the following experts:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Types 1 (Dealing in Securities), 2 (Dealing in Futures Contracts), 4 (Advising on Securities), 5 (Advising on Futures Contracts) and 6 (Advising on Corporate Finance) of the regulated activities under the SFO
HLB Hodgson Impey Cheng Limited	Certified public accountants and public interest entity auditor
Grandway law offices	Qualified PRC lawyers
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

The experts named above have each given and have not withdrawn their respective written consents to the issue of this Document with copies of their reports, letters, opinions or summaries of opinions (as the case maybe) and references to their names included in the form and context in which they are respectively included.

5. Compliance Advisor

Our Company has appointed Somerley Capital Limited as our compliance advisor in compliance with Rules 3A.19 of the Listing Rules.

6. Preliminary Expenses

We have not incurred any material preliminary expense as at the Latest Practicable Date.

7. Promoters

The promoters of our Company are Shijiazhuang Regional Building Materials Plant No. 1 (石家莊地區建築材料一廠), Shijiazhuang Regional Building Materials Plant No. 2 (石家莊地區建築材料二廠) and Shijiazhuang Regional High Voltage Switch Plant (石家莊地區高壓開關廠). Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoters in connection with the [**REDACTED**] and the Privatization or related transactions in this Document within the two years immediately preceding the date of this Document.

8. Taxation of Holder of Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of the Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Appendix III — Taxation and Foreign Exchange" in this Document.

9. No Material Adverse Change

Save as disclosed in this Document, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2024, being the end of the period reported on in the Accountants' Report set out in Appendix I to this Document.

10. Binding Effect

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Bilingual [REDACTED] document

The English language and Chinese language versions of this Document are being published separately.

12. Related Party Transactions

Our Group entered into related party transactions within the two years immediately preceding the date of this Document. See Note 53 to the Accountant's Report in Appendix I to this Document.

13. Miscellaneous

Save as disclosed in this Document,

(a) within the two years preceding the date of this Document, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) within the two years immediately preceding the date of this Document, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) there has been no interruption in the business of the Group which may have or have had a significant effect on the financial position of the Group in the last 12 months; and

(h) none of the equity and debt securities of our Company, if any, is listed or dealt within any other stock exchange nor is any listing or permission to deal in other stock exchanges being or proposed to be sought.

14. Agency Fees or Commissions Paid or Payable

Save as disclosed in this Document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and **https://www.enn-ng.com/** during a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the accountant's report from HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix I to this Document;

(c) the audited consolidated financial statements of our Group for three financial years ended December 31, 2022, 2023 and 2024;

(d) the report on the [**REDACTED**] financial information of our Group from HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix II to this Document;

(e) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co referred to in "Industry Overview" in this Document;

(f) the PRC legal opinions issued by Grandway Law Offices, the Company's PRC legal advisor in respect of, among other things, certain general corporate matters and property interests matters of our Group;

(g) the material contract(s) referred to in the paragraph headed "Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contract(s)" in Appendix VI to this Document;

(h) the written consents referred to in the paragraph headed "Statutory and General Information — E. Other Information — 4. Qualification and Consent of Experts" in Appendix VI to this Document;

(i) the service contracts referred to in the paragraph headed "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 1. Particulars of Directors' Contracts and Appointment Letters" in Appendix VI to this Document;

(j) the PRC Company Law, Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof;

(k) the terms of the 2021 Restricted Share Incentive Scheme, together with unofficial English translations thereof; and

(l) the terms of the 2025 Restricted Share Incentive Scheme, together with unofficial English translations thereof.