中國基礎能源控股有限公司
China Primary Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8117)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "Directors") of **CHINA PRIMARY ENERGY HOLDINGS LIMITED** (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

HIGHLIGHTS

Total revenue was approximately HK$210,872,000 for the year ended 31 December 2025 (2024: approximately HK$160,754,000), representing an increase of approximately 31%.

Loss attributable to owners of the Company amounted to approximately HK$27,188,000 (2024: loss of approximately HK$26,473,000).

The Board does not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

AUDITED RESULTS

The board of directors (the "Board") of China Primary Energy Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
Revenue	5	**210,872**	160,754
Other income and gains and losses	6	**1,139**	4,376
Changes in inventories of finished goods		**(138,751)**	(104,625)
Staff costs, including directors' remuneration		**(23,711)**	(22,075)
Depreciation		**(25,282)**	(19,547)
Amortisation of other intangible assets		**–**	(189)
Loss arising from changes in fair value of investment properties		**(6,811)**	(8,827)
Impairment loss on trade receivables, net		**(471)**	(101)
Reversal of impairment loss on other receivables and prepayments		**51**	108
Other operating expenses	8	**(27,711)**	(25,012)
Finance costs	7	**(17,365)**	(11,965)
Loss before income tax	8	**(28,040)**	(27,103)
Income tax (expense)/credit	9	**(200)**	1,590
Loss for the year		**(28,240)**	(25,513)
Attributable to:			
Owners of the Company		**(27,188)**	(26,473)
Non-controlling interests		**(1,052)**	960
Loss for the year		**(28,240)**	(25,513)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	**2025** ***HK$'000***	2024 *HK$'000*
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at fair value through other comprehensive income		**(2,845)**	564
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**12,948**	(13,175)
Release of foreign currency translation reserve upon deregistration of a subsidiary		**–**	1,638
Other comprehensive income for the year		**10,103**	(10,973)
Total comprehensive income for the year		**(18,137)**	(36,486)
Total comprehensive income attributable to:			
Owners of the Company		**(18,879)**	(35,968)
Non-controlling interests		**742**	(518)
		(18,137)	(36,486)
Loss per share	11		
– Basic and diluted		**HK$(0.027)**	HK$(0.026)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	**2025** **HK$'000**	2024 HK$'000
Non-current assets			
Property, plant and equipment		**464,922**	437,428
Investment properties		**185,429**	184,491
Goodwill		**15,422**	14,800
Prepayment for property, plant and equipment		**178**	2,843
Equity instruments measured at fair value through other comprehensive income ("FVTOCI")		**13,027**	15,317
Total non-current assets		**678,978**	654,879
Current assets			
Inventories		**3,460**	6,299
Trade and bills receivables	12	**11,499**	22,669
Other receivables, deposits and prepayments		**19,246**	23,350
Investments held for trading		**41**	49
Cash and cash equivalents		**86,468**	49,060
Total current assets		**120,714**	101,427
Total assets		**799,692**	756,306
Current liabilities			
Trade payables	13	**7,220**	11,129
Contract liabilities, other payables and accruals		**62,552**	72,377
Loans from a major shareholder		**–**	943
Lease liabilities		**1,492**	1,744
Bank borrowings		**118,961**	78,441
Tax payable		**8,933**	8,126
Total current liabilities		**199,158**	172,760
Net current liabilities		**(78,444)**	(71,333)

	2025	2024
	HK$'000	*HK$'000*
Non-current liabilities		
Other payables	**5,327**	–
Loans from a major shareholder	**77,106**	46,100
Deferred tax liabilities	**19,613**	21,308
Lease liabilities	**1,141**	2,555
Bank borrowings	**252,034**	252,221
Total non-current liabilities	**355,221**	322,184
Total liabilities	**554,379**	494,944
NET ASSETS	**245,313**	261,362
Equity		
Share capital	**63,999**	63,999
Reserves	**135,726**	154,605
Equity attributable to owners of the Company	**199,725**	218,604
Non-controlling interests	**45,588**	42,758
TOTAL EQUITY	**245,313**	261,362

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Equity attributable to owners of the Company									
	Share capital *HK$'000*	Share premium account *HK$'000* *(Note a)*	Statutory surplus reserve *HK$'000* *(Note b)*	Exchange translation reserve *HK$'000* *(Note c)*	Property revaluation reserve *HK$'000* *(Note d)*	Financial assets at FVTOCI reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 31 December 2023 and 1 January 2024	63,999	727,375	6,628	10,844	34,512	131	(588,917)	254,572	46,042	300,614
Loss for the year	–	–	–	–	–	–	(26,473)	(26,473)	960	(25,513)
Other comprehensive income:										
Exchange differences on translation of foreign operations	–	–	–	(11,697)	–	–	–	(11,697)	(1,478)	(13,175)
Release of foreign currency translation reserve upon deregistration of a subsidiary	–	–	–	1,638	–	–	–	1,638	–	1,638
Changes in fair value of equity instruments at FVTOCI	–	–	–	–	–	564	–	564	–	564
Total comprehensive income	–	–	–	(10,059)	–	564	(26,473)	(35,968)	(518)	(36,486)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	(2,766)	(2,766)
Balance at 31 December 2024	63,999	727,375	6,628	785	34,512	695	(615,390)	218,604	42,758	261,362

	Equity attributable to owners of the Company									
	Share capital *HK$'000*	Share premium account *HK$'000* *(Note a)*	Statutory surplus reserve *HK$'000* *(Note b)*	Exchange translation reserve *HK$'000* *(Note c)*	Property revaluation reserve *HK$'000* *(Note d)*	Financial assets at FVTOCI reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
Balance at 31 December 2024 and 1 January 2025	**63,999**	**727,375**	**6,628**	**785**	**34,512**	**695**	**(615,390)**	**218,604**	**42,758**	**261,362**
Loss for the year	-	-	-	-	-	-	(27,188)	(27,188)	(1,052)	(28,240)
Other comprehensive income:										
Exchange differences on translation of foreign operations	-	-	-	11,154	-	-	-	11,154	1,794	12,948
Changes in fair value of equity instruments at FVTOCI	-	-	-	-	-	(2,845)	-	(2,845)	-	(2,845)
Total comprehensive income	-	-	-	11,154	-	(2,845)	(27,188)	(18,879)	742	(18,137)
Transfer to statutory surplus reserve	-	-	2,369	-	-	-	(2,369)	-	-	-
Non-controlling shareholder's contribution arising from waiver of loan interest	-	-	-	-	-	-	-	-	2,088	2,088
Balance at 31 December 2025	**63,999**	**727,375**	**8,997**	**11,939**	**34,512**	**(2,150)**	**(644,947)**	**199,725**	**45,588**	**245,313**

Notes:

(a) The share premium account of the Group includes: (i) the premium arising from the issue of shares of the Company at a premium less share issue expenses; and (ii) the difference between the nominal value of the share capital and share premium of the subsidiaries acquired pursuant to the reorganisation scheme (the "Group Reorganisation") in preparation for the public listing of the Company's shares on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") over the nominal value of the shares of the Company issued in exchange therefor.

(b) Subsidiaries of the Company established in the People's Republic of China (the "PRC") are required to transfer 10% of their profit after income tax calculated in accordance with the PRC accounting regulations to the statutory surplus reserve until the reserve reaches 50% of their respective registered capital, upon which any further appropriation will be at the recommendation of the directors of subsidiaries. Such reserve may be used to reduce any loss incurred by the subsidiaries or be capitalised as paid-up capital of the subsidiaries.

(c) Exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(d) Property revaluation reserve arose from a change in use from owner-occupied properties to investment properties carried at fair value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. ORGANISATION AND OPERATIONS

The Company is a limited liability company incorporated in the Cayman Islands, as an exempted company under the Companies Law (2001 Revision) of the Cayman Islands on 5 September 2001. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business is Room 518, 5/F, Tower B, New Mandarin Plaza, 14 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The Company's shares are listed on GEM of the Stock Exchange.

The principal activity of the Company is investment holding. The Group engages in the sale and distribution of natural gas, natural gas transmission services, sale of heat and biomass gasification related products and property investment primarily in the PRC. The directors of the Company consider Ms. Ma Zheng to be a controlling shareholder.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of amended HKFRS Accounting Standards – effective on 1 January 2025

In the current year, the Group has adopted the following amended HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are first effective for the current accounting period.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The amendments arose as a result of a submission about the determination of the exchange rate when there is a long-term lack of exchangeability. HKAS 21, prior to the amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were, exchangeable, the amendments did not have any impact on the Group's financial statements. The Group has not early applied any new or amendments to HKFRS Accounting Standards that is not yet effective for the current accounting period.

(b) New and amended HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amended HKFRS Accounting Standards that have been issued, but are not yet effective have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

These amendments clarify the following:

- the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The Group expected the adoption of these amendments will not have any significant impact on its operations or consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity

The amendments include clarifying the application of the 'own-use' requirements; permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on Group's financial performance and cash flows.

The Group expected the adoption of these amendments will not have any significant impact on its operations or consolidated financial statements.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which supersedes HKAS 1, with a focus on updates to the consolidated statement of profit or loss. Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 – Subsidiaries without Public Accountability: Disclosures

HKFRS 19 allows for certain eligible subsidiaries of parent entities that report under HKFRS Accounting Standards to apply reduced disclosure requirements.

As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS Accounting Standards") issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange including the disclosure requirements of the Hong Kong Companies Ordinance.

(b) Basis of measurement and going concern assumption

These financial statements have been prepared under the historical cost convention except for investment properties and certain financial instruments, which are measured at fair values.

During the year, the Group incurred a loss of HK$28,240,000 and at the end of the reporting period, it recorded net current liabilities of HK$78,444,000. The directors of the Company have assessed the situation and prepared a cash flow projection of the Group covering a period from the end of the reporting period to 31 March 2027 after taking into account of the following:

I. The Group continues to implement measures to tighten cost controls over various operating expenses in order to improve its profitability and to generate positive cash inflows from its operations; and

II. The Group has undrawn bank facilities totalling RMB36,659,000 (equivalent to approximately HK$40,652,000) as at 31 December 2025. The directors of the Company considered that the Group is able to renew the existing interest-bearing borrowings upon expiry based on its credit history and fair value of collateral.

(c) Functional and presentation currency

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the functional currency of the Company.

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports that are used by the chief operating decision-maker to make strategic decisions.

The Group's reportable segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations of each of the Group's reportable segments:

Revenue from contracts with customers within the scope of HKFRS 15

– Sale and distribution of natural gas

– Sale of heat and biomass gasification related products

– Natural gas transmission services

Revenue from other sources

– Property investment

Segment assets exclude cash and cash equivalents, equity instruments measured at FVTOCI, investments held for trading and unallocated other head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities, loans from major shareholder, unallocated bank borrowings and unallocated other head office and corporate liabilities as these liabilities are managed on a group basis.

There was no inter-segment sale or transfer during the years ended 31 December 2025 and 2024. Central revenue and expenses are not allocated to the operating segments as they are not included in the measurement of the segment result that is used by the chief operating decision-maker for assessment of segment performance.

(a) **Reportable segments**

For the year ended 31 December 2025

	Sale and distribution of natural gas *HK$'000*	Sale of heat and biomass gasification related products *HK$'000*	Natural gas transmission services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Revenue from external customers	**136,908**	**32,938**	**26,635**	**14,391**	**210,872**
Reportable segment (loss)/profit	**(6,277)**	**(117)**	**10,175**	**(2,104)**	**1,677**
Reportable segment assets	**90,691**	**106,642**	**273,130**	**214,838**	**685,301**
Reportable segment liabilities	**(67,923)**	**(36,408)**	**(222,093)**	**(34,438)**	**(360,862)**
Other segment information:					
Bank interest income	**60**	**2**	**88**	**3**	**153**
Unallocated: corporate and others					**1**
Total bank interest income					**154**
Gain/(loss) on disposal of property, plant and equipment	**37**	**–**	**(21)**	**–**	**16**
Impairment loss on property, plant and equipment	**(1,350)**	**–**	**–**	**(511)**	**(1,861)**
Depreciation	**(8,209)**	**(4,445)**	**(9,076)**	**(2,849)**	**(24,579)**
Unallocated: corporate and others					**(703)**
Total depreciation					**(25,282)**

	Sale and distribution of natural gas *HK$'000*	Sale of heat and biomass gasification related products *HK$'000*	Natural gas transmission services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Impairment loss on trade receivables	**–**	**–**	**–**	**(471)**	**(471)**
Reversal of impairment loss on other receivables and prepayments	**51**	**–**	**–**	**–**	**51**
Loss arising from changes in fair value of investment properties	**–**	**–**	**–**	**(6,811)**	**(6,811)**
Additions to non-current assets	**1,089**	**6,974**	**25,351**	**2,568**	**35,982**

For the year ended 31 December 2024

	Sale and distribution of natural gas *HK$'000*	Sale of heat and biomass gasification related products *HK$'000*	Natural gas transmission services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Revenue from external customers	106,968	23,418	14,519	15,849	160,754
Reportable segment (loss)/profit	(3,812)	(4,892)	7,341	(4,132)	(5,495)
Reportable segment assets	99,954	100,054	261,173	214,116	675,297
Reportable segment liabilities	(61,322)	(25,593)	(223,200)	(32,364)	(342,479)
Other segment information:					
Bank interest income	35	2	90	5	132
Unallocated: corporate and others					123
Total bank interest income					255
Gain/(loss) on disposal of property, plant and equipment	31	(22)	–	–	9
Write back of other payables	1,379	–	–	–	1,379
Impairment loss on property, plant and equipment	–	–	–	(623)	(623)
Depreciation	(8,920)	(4,375)	(1,169)	(4,339)	(18,803)
Unallocated: corporate and others					(744)
Total depreciation					(19,547)

	Sale and distribution of natural gas *HK$'000*	Sale of heat and biomass gasification related products *HK$'000*	Natural gas transmission services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Amortisation of other intangible assets	(189)	–	–	–	(189)
Impairment loss on trade receivables	(333)	–	–	(101)	(434)
Reversal of impairment loss on trade receivables	333	–	–	–	333
Reversal of impairment loss on other receivables and prepayments	105	–	–	3	108
Loss arising from changes in fair value of investment properties	–	–	–	(8,827)	(8,827)
Additions to non-current assets	9,252	1,332	40,753	608	51,945
Other unallocated amounts					7,577
Total additions to non-current assets					59,522

(b) Reconciliation of reportable segment profit/(loss), assets and (liabilities)

	2025	2024
	HK$'000	*HK$'000*
Loss before income tax		
Total reportable segment's profit/(loss)	**1,677**	(5,495)
Unallocated other income and gains and losses	**443**	2,354
Unallocated other corporate expenses	**(12,795)**	(11,997)
Finance costs	**(17,365)**	(11,965)
Consolidated loss before income tax	**(28,040)**	(27,103)

	2025	2024
	HK$'000	*HK$'000*
Assets		
Total reportable segment's assets	**685,301**	675,297
Cash and cash equivalents	**86,468**	49,060
Unallocated other corporate assets	**27,923**	31,949
Consolidated total assets	**799,692**	756,306

	2025	2024
	HK$'000	*HK$'000*
Liabilities		
Total reportable segment's liabilities	**(360,862)**	(342,479)
Deferred tax liabilities	**(19,613)**	(21,308)
Loans from a major shareholder	**(77,106)**	(47,043)
Unallocated bank borrowings	**(81,770)**	(49,422)
Unallocated other corporate liabilities	**(15,028)**	(34,692)
Consolidated total liabilities	**(554,379)**	(494,944)

(c) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time of HK$169,846,000 from its sale and distribution of natural gas and sale of heat and biomass gasification related products for the year ended 31 December 2025 (2024: HK$130,386,000). The revenue from natural gas transmission services recognised over time of HK$26,635,000 for the year ended 31 December 2025 (2024: HK$14,519,000). The amounts disclosed above do not include variable consideration which is constrained.

The Group derives revenue in the following product lines and geographical regions.

For the year ended 31 December 2025

	Sale and distribution of natural gas *HK$'000*	Sale of heat and biomass gasification related products *HK$'000*	Natural gas transmission services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Primary geographical markets					
PRC	**136,908**	**32,938**	**26,635**	**14,391**	**210,872**
Major products/services					
Sale of goods	**136,908**	**32,938**	**–**	**–**	**169,846**
Services income	**–**	**–**	**26,635**	**–**	**26,635**
Rental income	**–**	**–**	**–**	**14,391**	**14,391**
	136,908	**32,938**	**26,635**	**14,391**	**210,872**

For the year ended 31 December 2024

	Sale and distribution of natural gas *HK$'000*	Sale of heat and biomass gasification related products *HK$'000*	Natural gas transmission services *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Primary geographical markets					
PRC	106,968	23,418	14,519	15,849	160,754
Major products/services					
Sale of goods	106,968	23,418	–	–	130,386
Services income	–	–	14,519	–	14,519
Rental income	–	–	–	15,849	15,849
	106,968	23,418	14,519	15,849	160,754

The Group's revenue from external customers for the years ended 31 December 2025 and 2024 was derived from the PRC (place of domicile).

(d) Information about major customers

Details of customers accounting for 10% or more of total revenue are as follows:

	2025	2024
	HK'000	*HK'000*
Customer A	**70,914**	78,416
Customer B *(Note)*	**31,544**	N/A

Note: The corresponding customer did not contribute over 10% of the total revenue to the Group for the year ended 31 December 2024.

5. REVENUE

An analysis of the Group's revenue is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Recognised at point in time:		
Sale and distribution of natural gas	**136,908**	106,968
Sale of heat and biomass gasification related products	**32,938**	23,418
Recognised over time:		
Natural gas transmission services	**26,635**	14,519
Total revenue from contracts with customers	**196,481**	144,905
Revenue from other sources		
Gross rental income	**14,391**	15,849
	210,872	160,754

The Group has applied the practical expedient under HKFRS 15 so that the transaction price allocated to unsatisfied performance obligations under contracts is not disclosed as such contracts have an original expected duration of one year or less.

Trade receivables from contracts with customers as at 31 December 2025 amounted to HK$11,099,000 (2024: HK$21,254,000).

6. OTHER INCOME AND GAINS AND LOSSES

	2025	2024
	HK$'000	*HK$'000*
Bank interest income	**154**	255
Foreign exchange losses, net	**–**	(60)
Fair value (loss)/gain on investments held for trading	**(8)**	22
Gain on deregistration of a subsidiary	**–**	1,638
Gain on disposal of property, plant and equipment	**16**	9
Government grants *(Note)*	**408**	–
Impairment loss on property, plant and equipment	**(1,861)**	(623)
Sundry income	**2,430**	1,756
Write back of other payables	**–**	1,379
	1,139	4,376

Note: For the year ended 31 December 2025, the government grants mainly granted from the PRC government authorities for the purpose of giving incentives to enterprises to engage in research and development activities. There were no unfulfilled conditions or contingencies related to these grants.

7. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest on bank loans	**11,071**	11,794
Interest on loans from a major shareholder	**5,569**	5,014
Interest on loans from a non-controlling shareholder of a subsidiary	**1,878**	1,025
Interest on lease liabilities	**290**	386
	18,808	18,219
Less: Amount capitalised	**(1,443)**	(6,254)
	17,365	11,965

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2025	2024
	HK$'000	*HK$'000*
Cost of inventories sold	**138,751**	104,625
Depreciation of property, plant and equipment		
– owned	**21,329**	15,873
– right-of-use assets	**3,953**	3,674
	25,282	19,547
Items included in other operating expenses:		
Auditor's remuneration	**1,320**	1,320
Short-term lease expenses	**1,178**	558
Building management fees for self-used office premises	**278**	320
Investment property management fees	**3,251**	2,896
Entertainment and trip expenses	**3,581**	3,517
Legal and professional fees	**635**	1,275
Research and development expenses	**2,577**	2,030
Motor vehicle expenses	**2,063**	2,123
Other tax expenses	**3,859**	3,698

9. INCOME TAX

	2025	2024
	HK$'000	*HK$'000*
Current tax – PRC		
– tax for the year	**1,244**	617
– Under-provision in prior years	**1,512**	–
Deferred tax liabilities		
– current year	**(2,556)**	(2,207)
Total income tax expense/(credit) for the year	**200**	(1,590)

No provision has been made for Hong Kong profits tax as the Group has no assessable profit arising from Hong Kong subsidiaries during the current and prior years.

Huaining China Primary Energy Limited ("Huaining CP Energy") and Wuhu Shi Da New Energy Technology Company Limited ("Wuhu Shi Da") obtained 高新技術企業證書 (High Technology Enterprise Certificate). Both Huaining CP Energy and Wuhu Shi Da entitled to enjoy the enterprise income tax at the concessionary rate of 15% for the years ended 31 December 2025 and 2024. Fujian China Primary Energy Limited ("Fujian CP Energy") is entitled to the unified EIT rate of 25% for the year ended 31 December 2025 (2024: subject to concessionary rate of 15%).

For the Group's other operating subsidiaries in the PRC, in accordance with the PRC Enterprise Income Tax Law approved by the National People's Congress on 16 March 2007 and became effective from 1 January 2008, they are subject to enterprise income tax ("EIT") at the unified EIT rate of 25%.

10. DIVIDEND

The board of directors does not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

11. LOSS PER SHARE

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

	2025	2024
	HK$'000	*HK$'000*
Loss:		
Loss for the year attributable to owners of the Company	**(27,188)**	(26,473)

	Number of shares	
	2025	2024
	'000	*'000*
Weighted average of number of ordinary shares in issue	**1,023,987**	1,023,987

No diluted earnings per share is presented as the Group has no potential ordinary shares for the years ended 31 December 2025 and 2024.

12. TRADE AND BILLS RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**18,050**	27,240
Less: provision for impairment	**(6,551)**	(5,826)
	11,499	21,414
Bills receivables	**–**	1,255
	11,499	22,669

(a) The Group granted a credit period of 3 and 5 working days after the billing date to customers relating to sale of biomass gasification related products and sale and distribution of natural gas respectively. For the sale of heat business and natural gas transmission services business, no credit period is granted to customers. For the business of property investment, tenants are required to pay rentals, generally 1 to 3 months, in advance. The Group sets a maximum credit limit for each customer and seeks to maintain strict control over its outstanding receivables. The sales department and the management of the responsible department for the sales together perform the credit control function to minimise credit risk. Overdue balances are reviewed and followed up regularly by senior management.

As at 31 December 2024, all bills receivables are due for settlement within 90 days and not past due.

(b) The table below reconciled the provision for impairment loss of trade receivables for the year:

	2025	2024
	HK$'000	*HK$'000*
At 1 January	**5,826**	6,020
Impairment loss recognised	**471**	434
Reversal of impairment loss	**–**	(333)
Amount written off as uncollectible	**–**	(98)
Exchange realignment	**254**	(197)
At 31 December	**6,551**	5,826

(c) An ageing analysis of the trade and bills receivables (net of impairment loss) as at the end of reporting period, based on the invoice dates, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**9,851**	21,899
31 – 60 days	**1,184**	131
61 – 90 days	**38**	61
Over 90 days	**426**	578
	11,499	22,669

(d) An ageing analysis of trade and bills receivables (net of impairment loss) that are neither individually nor collectively considered to be impaired is as follows:

	2025	2024
	HK$'000	*HK$'000*
Not past due	**9,700**	21,223
Less than 31 days past due	**256**	783
31 – 60 days past due	**1,117**	26
61 – 90 days past due	**123**	61
Over 90 days but less than 1 year past due	**303**	548
More than 1 year past due	**–**	28
	1,799	1,446
	11,499	22,669

(e) The Group has not pledged any of its trade and bills receivables as at 31 December 2025 (2024: Nil).

13. TRADE PAYABLES

An ageing analysis of trade payables, based on the invoice dates, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**5,120**	8,174
31 – 60 days	**–**	480
61 – 90 days	**–**	226
Over 90 days	**2,100**	2,249
	7,220	11,129

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FUTURE OUTLOOK

Financial Performance

The Group's total revenue for 2025 experienced an increase of 31% compared to the corresponding period in 2024. This increase was primarily attributed to an increase in activities of natural gas transmission during the year. Additionally, the improved performance of the Renminbi in 2025 also contributed to the revenue.

Economic Overview

The international economic landscape in 2025 was defined by resilient but uneven growth, persistent sectoral challenges, and significant geopolitical friction, most notably stemming from escalating trade disputes. In the United States of America (the "USA"), the economy demonstrated continued stability and such economic growth was supported by solid consumer spending and investment, although the pace slowed markedly in the fourth quarter due to the chilling effect of a federal government shutdown and heightened trade policy uncertainty. While this performance represented stable growth, it was a slight moderation from the previous year, with the manufacturing sector facing fresh headwinds from newly implemented tariffs on key trading partners.

The Eurozone experienced a modest pick-up in momentum compared to the prior year, with full-year GDP growth for 2025 projected at approximately 1.3%. The services sector remained a key driver of activity. However, the manufacturing sector continued to grapple with significant challenges, including heightened uncertainty around global trade and the direct impact of increased tariffs.

In contrast, the economy of the People's Republic of China (the "PRC") grew by approximately 5.0% in 2025, achieving its official target. While this growth was resilient, it showed a pattern of moderation throughout the year, with quarterly figures trending downward. Domestic demand, particularly final consumption, emerged as the largest contributor to growth. However, persistent headwinds remained, including a sluggish real estate market and a slow recovery in consumer confidence. The year was also marked by escalating political and trade tensions with the US, characterized by multiple rounds of tit-for-tat tariff impositions– ranging from tariffs on electric vehicles and semiconductors to broader consumer goods – before a temporary truce was established mid-year. These trade barriers forced a re-evaluation of supply chains and increased costs for businesses on both sides. Despite this volatile backdrop, the Group's performance was not significantly affected. The ongoing energy transition and robust demand for clean energy in the PRC served as a key driver for the growth of the Group's natural gas business, a trend reinforced by the country's continued push for greater adoption of green power as part of its long-term economic strategy.

Natural Gas Business: Core Operations

The natural gas business consisted of sale and distribution of natural gas and natural gas transmission services. It remains as the cornerstone of the Group's operations. In 2025, this segment maintained stable performance, supported by the PRC government's policies promoting the use of clean energy. The Board of Directors (the "Board") remains optimistic about the prospects of the natural gas business, particularly given initiatives such as the expansion of natural gas usage for industrial users, as well as the establishment of a dedicated natural gas network department. The Group operates its natural gas business across various regions and provinces in the PRC, primarily serving industrial customers.

Biomass Gasification Heating Supply Business

The biomass gasification heating supply business in Huaining County, Anhui Province, demonstrated steady growth in 2025. With strong demand for heat supply in the region, the Group anticipates this segment will increasingly generate revenue. The expansion and upgrade of factory continue and the construction will enable enlarged operations and drive revenue growth.

Property Investment Business

The property investment business in Yichang continued to provide stable cash flow for the Group in 2025. The Group's investment properties are located in an industrial park developed by the Yichang government, focusing on vehicle parts manufacturing. As a result, all tenants are manufacturers of vehicle parts. While rental income experienced a slight decline due to the overall performance of the property market, the sector remains supported by the Yichang government's development initiatives. The Group believes the property investment business will continue to be a key contributor to its operations.

CONTINUING CONNECTED TRANSACTIONS

On 5 August 2024, Yichang China Primary Natural Gas Utilisation Company Limited# (宜昌中基天然氣利用有限公司) ("China Primary Utilisation"), being an indirect non-wholly owned subsidiary of the Company, entered into an agreement (the "Natural Gas Transmission Agreement") with Yichang City Yiling District China Primary Thermal Power Co. Limited# (宜昌市夷陵區中基熱電有限公司) ("Yiling China Primary Thermal Power"), pursuant to which China Primary Utilisation agreed to provide natural gas transmission services to Yiling China Primary Thermal Power by transmitting natural gas through the pipeline owned by China Primary Utilisation from the natural gas transmission station(s) to the natural gas delivery point(s) designated by Yiling China Primary Thermal Power for a term of three years.

Yiling China Primary Thermal Power is a company established in the PRC with limited liability and is principally engaged in the production and selling of electricity power. Yiling China Primary Thermal Power is statutorily owned as to 90% by Beijing Jingneng Clean Energy Co., Limited ("Beijing Jingneng") and 10% by China Primary Energy (Shenzhen) Limited# (中基能源(深圳)有限公司), being an indirect wholly-owned subsidiary of the Company. Beijing Jingneng is in turn a company established in the PRC with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 579).

In view of the increasing demand for natural gas, the Group has expanded its natural gas business and completed the construction of the clean energy business in Yichang, the PRC. Leveraging the close geographical locations between China Primary Utilisation and Yiling China Primary Thermal Power, the Company considers it is in its best interest to establish the business relationship between the Group and Yiling China Primary Thermal Power and/or its associates, provided that such parties shall pay to the Group transmission fee at prices comparable to market prices and are considered to be fair and reasonable to the Group.

The initial transmission fee for the period from the date of the Natural Gas Transmission Agreement to 31 December 2024 was RMB0.298 per cubic meter of natural gas in standard state (equivalent to approximately HK$0.325). Thereafter, the transmission fee shall be reviewed and determined on an annual basis at the beginning of each year. Further details were disclosed in the announcement of the Company dated 5 August 2024.

The independent non-executive Directors had reviewed the above continuing connected transaction pursuant to Rule 20.53 of the GEM Listing Rules, and had confirmed that the continuing connected transaction had been entered into: (1) in the ordinary and usual course of business of the Group; (2) on normal commercial terms or better; and (3) according to the relevant agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The total amount of transmission fee payable under the Natural Gas Transmission Agreement during the year ended 31 December 2025 have not exceeded the annual cap amounts of RMB30,000,000 (equivalent to approximately HK$32,616,000).

The Board has received a confirmation from the auditor of the Company with respect to the above continuing connected transaction and the letter stated that for the year ended 31 December 2025:

(1) nothing has come to the auditor's attention that causes them to believe that the continuing connected transaction has not been approved by the Board;

(2) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(3) nothing has come to the auditor's attention that causes them to believe that the transaction was not entered into, in all material respects, in accordance with the relevant agreement governing such transaction; and

(4) with respect to the aggregate amount of the above continuing connected transaction, nothing has come to the auditor's attention that causes them to believe that the continuing connected transaction has exceeded the annual cap as set out in the relevant agreement.

Save as disclosed above, there is no related party transaction or continuing related party transaction that falls into the category of connected transaction or continuing connected transaction that needs to be disclosed under the GEM Listing Rules. The Company confirmed that it had complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

FINANCIAL REVIEW

Total revenue was approximately HK$210,872,000 for the year ended 31 December 2025, which represented an increase of approximately 31% when compared with last year's total revenue of approximately HK$160,754,000. The Board believes that revenue of the Group will be improved with the growing of the clean energy business, especially the Yichang operation in 2026.

During the year under review, audited loss before income tax was approximately HK$28,040,000 (2024: loss of approximately HK$27,103,000). The loss attributable to owners of the Company was approximately HK$27,188,000 (2024: loss of approximately HK$26,473,000). The loss was slightly increased when compared to the corresponding period of last year mainly because of increase in expenses such as depreciation and interest. In the current economic environment, the Board will continue to exercise stringent cost control and maintain a low and effective overheads structure and prudently utilise the Group's corporate resources to create wealth for the shareholders.

BUSINESS OUTLOOK AND STRATEGIC FOCUS

Despite facing multiple challenges, the global economy exhibited signs of continued adjustment in 2026. However, geopolitical tensions and the lingering effects of a high-interest-rate environment remain areas of concern. Fortunately, the Group's operations, particularly in natural gas transmission and distribution and property investment, are more reliant on domestic demand and the essential nature of natural gas, insulating the business from direct and significant global economic impacts. Nevertheless, the Company will continue to monitor the situation closely and assess any potential effects on its operations and financial performance.

In light of the still uncertain global political and economic climate, the Board and management are committed to adopting a cautious and prudent approach to managing the Group's operations. At the same time, the Board is actively exploring potential investment opportunities to enhance the Company's long-term value and ensure sustainable growth.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, net assets of the Group were approximately HK$245,313,000 (2024: approximately HK$261,362,000) while its total assets were approximately HK$799,692,000 (2024: approximately HK$756,306,000) including cash and bank balances of approximately HK$86,468,000 (2024: approximately HK$49,060,000).

FUNDING ACTIVITIES DURING THE YEAR

The Company did not carry out any fund raising activities during the year under review.

GEARING RATIO

As at 31 December 2025, current assets of the Group amounted to approximately HK$120,714,000 which included cash and bank balances of approximately HK$1,468,000 and approximately RMB76,653,000 (equivalent to HK$85,000,000), while current liabilities stood at approximately HK$199,158,000. The Group has borrowings of approximately HK$453,428,000. Equity attributable to owners of the Company amounted to approximately HK$199,725,000. In this regard, the Group was in a net assets position and had a gearing ratio of approximately 227% (borrowings to equity attributable to owners of the Company) as of 31 December 2025.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Sales and payment of the Group are denominated in Hong Kong dollars and Renminbi ("RMB"). The Group's cash and bank balances were mainly denominated in Hong Kong dollars and RMB, and the business is mainly operated in the PRC. The only foreign currency exposure comes mainly from the funds movement between Hong Kong and the PRC. Exchange risk is not significant as the Group conducts business in PRC and does not have import and export business. No hedging or other alternatives had been implemented for foreign currency exposure. However, the Group will continue to monitor closely the exchange rate movements and will enter into hedging arrangements in future if necessary.

CHARGE ON GROUP ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2025, certain of the Group's investment properties and land and buildings were pledged as security for the Group's bank borrowing, and the Group did not have any significant contingent liabilities.

SEGMENT INFORMATION

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 4 to this annual results announcement.

CAPITAL STRUCTURE

The ordinary shares of the Company were initially listed on GEM of the Stock Exchange on 13 December 2001. As at 31 December 2025, the issued share capital of the Company was made up of 1,023,987,439 ordinary shares of HK$0.0625 each.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There was no material acquisition or disposal of subsidiaries, associates and joint ventures during the year under review.

SIGNIFICANT INVESTMENTS/FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group did not made any significant investment during the year ended 31 December 2025. No material plan for future investment was noted as at the date of this annual results announcement.

EMPLOYEE INFORMATION AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 10 full-time employees working in Hong Kong and 151 full-time employees working in the PRC. Total employees' remuneration (including Directors' remuneration) for the year under review amounted to approximately HK$23,711,000. The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

The Group provides salaries, annual bonuses, paid annual leaves and the cost of non-monetary benefits (other than termination benefits) in relation to the associated services are rendered by employees. For retiring benefit, both the Group and employees participate and contribute to the Mandatory Provident Fund scheme in Hong Kong or central pension scheme operated by the local municipal government in the PRC.

COMPETITION AND CONFLICT OF INTERESTS

During the year under review, none of the Directors, significant shareholders, substantial shareholders and any of their respective associates had engaged in any business that competed or might compete directly or indirectly, with the business of the Group, or had or might have any other conflicts of interest with the Group.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and Code Provisions D.3.3 and D.3.7 of the Corporate Governance Code (the "Code"). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. During the year under review, the Audit Committee chaired by Mr. Wan Tze Fan Terence, comprises two other members, Mr. Chung Chin Keung and Mr. Sung Ren Keh, who are the independent non-executive Directors of the Company. During the year under review, the Audit Committee held four meetings and performed duties including reviewing the Group's annual report, half-yearly report and announcements. After reviewing the Group's financial statements for the year ended 31 December 2025, the Audit Committee is of the opinion that the financial statements of the Group for the year ended 31 December 2025 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's Audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company had not redeemed any of its ordinary shares during the year ended 31 December 2025. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's ordinary shares during the year ended 31 December 2025.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 of the GEM Listing Rules (the "Code"), with the exception of the following code provision for the year ended 31 December 2025:

Code Provision C.2.1

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

For the year 2025, the Company did not have an officer with the title of "Chief Executive". The Code envisages that the management of the Board should rest with the Chairman, whereas the day-to-day management of the Company's business should rest with the Chief Executive. Ms. Ma Zheng, the Chairman, is also a director of some of the Company's operating subsidiaries. This constitutes a deviation of Code Provision C.2.1. The Board holds the view that this arrangement is appropriate for the Company but the Company does not compromise accountability and independent decision making for this since the Company has an audit committee, all members of which are independent non-executive Directors, to help to ensure the accountability and independence of Ms. Ma Zheng.

By Order of the Board
China Primary Energy Holdings Limited
Ma Zheng
Chairman

Hong Kong, 25 March 2026

As at the date of this announcement, the Board comprises Ms. MA Zheng and Mr. YUAN Geng who are the executive Directors, Mr. JI Jianghua who is the non-executive Director, and Mr. WAN Tze Fan Terence, Mr. CHUNG Chin Keung and Mr. SUNG Ren Keh who are the independent non-executive Directors.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its publication and on the Company's designated website at https://china-p-energy.etnet.com.hk.