元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED
元 亨 燃 氣 控 股 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

The Board of Directors ("**the Board**") of Yuan Heng Gas Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 September 2025 (the "**Period**"), together with the comparative figures, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 September	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited) (Restated)
Continuing operations			
Gross amounts from operations	*3*	**269,999**	532,563
Gross amounts of oil and gas sales contracts		**12,600**	215,259
Gross amounts of oil and gas purchase contracts		**(12,360)**	(210,266)
Other revenue		**257,399**	317,304
Cost of sales and services		**(238,035)**	(291,981)
Gross profit		**19,604**	30,316

	Notes	Six months ended 30 September 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited) (Restated)
Other income	*4*	**380**	1,905
Other gains and losses	*5*	**1,825**	(16,731)
Impairment losses under expected credit loss model		**(25,005)**	(85,436)
Distribution and selling expenses		**(1,922)**	(2,525)
Administrative expenses		**(38,956)**	(36,843)
Share of results of associates		**11,353**	13,038
Finance costs		**(87,727)**	(46,831)
Loss before tax	*6*	**(120,448)**	(143,107)
Income tax credit (expense)	*7*	**63**	(2,196)
Loss for the period from continuing operations		**(120,385)**	(145,303)
Discontinued operations			
Loss for the period from discontinued operations	*15*	**–**	(47,060)
Loss for the period		**(120,385)**	(192,363)
Other comprehensive income (expense) for the period			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**100**	(278)
Other comprehensive income (expense) for the period		**100**	(278)
Total comprehensive expense for the period		**(120,285)**	(192,641)

	Notes	Six months ended 30 September **2025** ***RMB'000*** **(Unaudited)**	 2024 *RMB'000* (Unaudited) (Restated)
Loss for the period attributable to:			
– Owners of the Company		**(115,400)**	(186,559)
– Non-controlling interests		**(4,985)**	(5,804)
		(120,385)	(192,363)
Loss for the period attributable to owners of the Company arises from:			
– Continuing operations		**(115,400)**	(139,499)
– Discontinued operation		**–**	(47,060)
		(115,400)	(186,559)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		**(115,300)**	(186,837)
– Non-controlling interests		**(4,985)**	(5,804)
		(120,285)	(192,641)
Total comprehensive expense for the period attributable to owners of the Company arises from:			
– Continuing operations		**(115,300)**	(139,777)
– Discontinued operation		**–**	(47,060)
		(115,300)	(186,837)
Loss per share	*9*		
From continuing and discontinued operations			
– Basic *(RMB cents)*		**(1.76)**	(2.85)
– Diluted *(RMB cents)*		**(1.76)**	(2.85)
From continuing operations			
– Basic *(RMB cents)*	*9*	**(1.76)**	(2.13)
– Diluted *(RMB cents)*		**(1.76)**	(2.13)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 30 September 2025** *RMB'000* **(Unaudited)**	As at 31 March 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**270,752**	286,927
Right-of-use assets		**46,107**	47,077
Goodwill		**34,070**	34,070
Interests in associates		**190,096**	185,479
Derivative financial instrument		**2,500**	2,500
Deferred tax assets		**9,359**	9,315
		552,884	565,368
CURRENT ASSETS			
Inventories		**23,228**	20,616
Trade and other receivables	*10*	**1,251,995**	1,100,495
Amounts due from a non-controlling equity owner of a subsidiary		**1,001**	1,001
Pledged bank deposits		**16**	16
Bank balances and cash		**8,018**	10,498
		1,284,258	1,132,626

	Notes	As at 30 September 2025 RMB'000 (Unaudited)	As at 31 March 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade payables and other liabilities	*11*	**1,496,407**	1,234,899
Contract liabilities		**48,898**	55,707
Amount due to an associate		**142**	142
Amount due to a shareholder		**738**	714
Tax payable		**76,949**	77,118
Bank borrowings due within one year	*13*	**1,076,475**	1,117,899
Financial guarantee contract liabilities	*15*	**99,010**	95,320
Guaranteed notes		**191,062**	184,811
		2,989,681	2,766,610
NET CURRENT LIABILITIES		**(1,705,423)**	(1,633,984)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(1,152,539)**	(1,068,616)
CAPITAL AND RESERVES			
Share capital	*14*	**551,378**	551,378
Reserves		**(1,755,227)**	(1,639,927)
Equity attributable to owners of the Company		**(1,203,849)**	(1,088,549)
Non-controlling interests		**988**	5,973
CAPITAL DEFICIENCY		**(1,202,861)**	(1,082,576)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**13,922**	13,960
Bank borrowings due after one year	*13*	**36,400**	–
		50,322	13,960
		(1,152,539)	(1,068,616)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Share capital	**Share premium**	**Other reserve**	**Statutory surplus reserve**	**Designated safety fund**	**Translation reserve**	**Accumulated loss**	**Sub-total**	**Non-controlling interests**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
							(Restated)	(Restated)	(Restated)	(Restated)
			(note a)	*(note b)*	*(note c)*					
At 1 April 2024 (audited)	551,378	4,466,908	(3,775,606)	100,791	46,798	(6,684)	(538,954)	844,631	41,704	886,335
Loss for the period	–	–	–	–	–	–	(186,559)	(186,559)	(5,804)	(192,363)
Other comprehensive expense for the period	–	–	–	–	–	(278)	–	(278)	–	(278)
Total comprehensive expense for the period	–	–	–	–	–	(278)	(186,559)	(186,837)	(5,804)	(192,641)
Transfer to designated statutory fund	–	–	–	(29)	–	–	29	–	–	–
Transfer to designated safety fund	–	–	–	–	639	–	(639)	–	–	–
Deregistration of a subsidiary *(Note 15)*	–	–	–	(15,658)	(1,425)	–	–	(17,083)	23,353	6,270
At 30 September 2024 (unaudited)	551,378	4,466,908	(3,775,606)	85,104	46,012	(6,962)	(726,123)	640,711	59,253	699,964
At 1 April 2025 (audited)	**551,378**	**4,466,908**	**(3,775,606)**	**87,393**	**46,606**	**(8,945)**	**(2,456,283)**	**(1,088,549)**	**5,973**	**(1,082,576)**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(115,400)**	**(115,400)**	**(4,985)**	**(120,385)**
Other comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**100**	**–**	**100**	**–**	**100**
Total comprehensive expense for the period	**–**	**–**	**–**	**–**	**–**	**100**	**(115,400)**	**(115,300)**	**(4,985)**	**(120,285)**
Transfer to designated safety fund	**–**	**–**	**–**	**–**	**116**	**–**	**(116)**	**–**	**–**	**–**
At 30 September 2025 (unaudited)	**551,378**	**4,466,908**	**(3,775,606)**	**87,393**	**46,722**	**(8,845)**	**(2,571,799)**	**(1,203,849)**	**988**	**(1,202,861)**

Notes:

(a) Other reserve of the Group mainly represents (i) the financial impact of adopting merger accounting for the acquisition of Union Honor Limited ("**UHL**") and its subsidiaries; and (ii) a debit arising from the deemed distribution to shareholder which represents the cash consideration of the acquisition of UHL of HK$70,000,000 (equivalent to RMB55,595,000) paid to the vendor during the year ended 31 March 2014.

(b) In accordance with the relevant laws and regulations of the People's Republic of China (the "**PRC**") and the Articles of Association of certain subsidiaries of the Company, they are required to provide for PRC statutory reserves, by way of appropriations from their respective statutory net profit (based on their PRC statutory financial statements) but before dividend distributions. They are required to transfer 10% of the profit after taxation to the statutory reserves. The appropriation to the statutory surplus reserve may cease if the balance of the statutory surplus reserve has reached 50% of the registered capital of the relevant companies. The statutory surplus reserve can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of a capitalisation issue. However, when converting the statutory surplus reserve into capital, the remaining balance of such reserve must not be less than 25% of the registered capital of the relevant companies.

(c) Pursuant to the relevant PRC regulation, certain subsidiaries are required to transfer a certain percentage based on a progressive rate on revenue generated from manufacturing and transportation of gas or other dangerous chemicals into a designated fund. The fund will be used for installation and repairs and maintenance of safety facilities. The movement during the period represents the difference between the amounts provided based on the relevant PRC regulation and the amount utilised during the period.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash from (used in) operating activities	**2,471**	(17,261)
Net cash from (used in) investing activities	**3,525**	(2,048)
Net cash (used in) from financing activities	**(8,576)**	14,152
Net decrease in cash and cash equivalents	**(2,580)**	(5,157)
Cash and cash equivalents at 1 April	**10,498**	10,688
Effect of foreign exchange rate changes, net	**100**	(279)
Cash and cash equivalents at 30 September	**8,018**	5,252

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (the "**HKAS**") No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements set out in Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Going concern basis

The Group reported a consolidated loss attributable to owners of the Company of approximately RMB115,400,000 for the six months ended 30 September 2025 and as at 30 September 2025 the Group had net current liabilities of approximately RMB1,705,423,000.

As at 30 September 2025, the total amount of the Group's bank borrowings was approximately RMB1,112,875,000 and the amount of the guaranteed notes was approximately RMB191,062,000 while its cash and cash equivalents amounted to approximately RMB8,018,000. In addition, as at 30 September 2025 and as of the date of approval of these consolidated financial statements, the Group had defaulted or cross-defaulted certain bank borrowings and guaranteed notes amounted to RMB1,072,485,000 and RMB191,062,000, respectively.

The above events and conditions indicate the existence of multiple material uncertainties which may cast significant doubt on the Group's ability to continue to operate on a going concern basis.

In order to improve the Group's liquidity and cash flow to sustain the Group's operation on a going concern basis, the directors of the Company have implemented or are in the process of implementing the following measures:

(i) Optimizing the Group's operational strategy to improve cash generating capacity and to reduce operating costs. Measures taken include (a) reducing volume of trading business to improve the efficiency of working capital; and (b) increasing the proportion of processing production in the overall production volume of both LNG factories to enhance stability of profit margin. The Group has taken firm and effective measures to control operating costs and to constrain unnecessary capital expenditures to preserve liquidity. The Group will take other additional measures to further improve the Group's liquidity as appropriate;

(ii) Actively communicating and negotiating with the Group's creditors to extend guaranteed notes bank loans and credit facilities and to refrain from taking enforcement actions which could lead to the Group's loss of control over main subsidiaries or key assets essential to business operation. Up to the date of this announcement, none of the Group's creditors have taken enforcement action against the Group for immediate repayment of outstanding loans. The directors of the Company are confident that settlement agreements with creditors will be reached in due course;

(iii) Proactively seeking ways to settle the outstanding litigations of the Group. The Group will seek to reach an amicable solution on the charges and payment terms to the claims and litigations which have not yet reached a definite outcome;

(iv) Restructuring the exiting debts through legal procedure. The Company has filed an ex parte originating summons with the High Court of Hong Kong for the hearing of application by the Company for an order to convene a meeting of the creditors of the Company to consider and, if thought fit, approve, with or without modification, a scheme of arrangement proposed by the Company. At the hearing on 17 June 2025, the Court ordered that the hearing be adjourned sine die with liberty to restore. The Company is working closely with its professional advisers with an aim to restore the hearing as soon as possible; and

(v) Sourcing new fund to increase the Group's liquidity, inter alia, reduce the Group's borrowing level. The Company has signed a memorandum of understanding ("**MOU**") with a potential strategic investor. According to the MOU, the potential strategic investor has undertaken to support the Group's restructuring by providing financing support, procuring loan portfolios and other appropriate measures for alleviating the financial stress of the Group's operating entities in the PRC to enable these entities to generate a healthy cashflow, on terms subject to definitive documentation to be agreed upon and prepared. Besides, the Company has signed a financing agreement (the "**Agreement**") with a potential strategic investor. According to the Agreement, the potential strategic investor agreed to support the Company's restructuring by providing a maximum loan to HK$20 million to the Company. The loan is unsecured, interest-free and has no fix repayment date.

The directors of the Company have prepared the Group's cash flow projections which cover a period of not less than twelve months from 30 September 2025 and take into account of multiple material uncertainties as to whether the Group will be able to achieve the plans and measures as described above, Specifically, whether the Group will be able to continue on a going concern basis will depend on the following assumptions:

(i) Successfully implement the Group's business strategy plan and cost control measures so as to stabilise the Group's business operation and to improve the Group's working capital and cash flow position;

(ii) Successfully negotiate with the existing creditors on the renewal or extension of the Group's borrowings and on the settlement of existing indebtedness in a way sustainable to the Group;

(iii) Successfully reach an amicable solution on the charges and payment terms in respect of the claims and litigations which have not yet reached a definite outcome;

(iv) Successfully convene the meeting of creditors and to implement the restructuring plan under the scheme of arrangement; and

(v) Successfully obtain additional financing from the existing creditors or new sources of funding to improve its liquidity position, and fulfill the Group's debt obligations within a reasonable timeframe.

The directors of the Company are of the opinion that, if all the above-mentioned assumptions, plans and measures are realised, the Group will have sufficient working capital for its operations and will be able to meet its financial obligations as and when they fall due. Accordingly, the directors of the Company consider that it is appropriate to prepare the condensed consolidated financial statements of the Group for the six-month period ended 30 September 2025 on a going concern basis.

Restatement adjustments

In accordance with Hong Kong Financial Reporting Standard 9 – Financial Instruments, issued by the HKICPA, the Group is required to recognise a loss allowance for expected credit losses ("**ECL**") on its financial instruments, including trade receivables. HKFRS 9 mandates the use of reasonable and supportable information, incorporating both historical and forward-looking data, with an emphasis on debtor-specific credit risk characteristics where practicable.

In prior years, the Group took into account information generally applicable to all industries around the globe when estimating the ECL of the Group's trade receivables as the directors of the Group considered it was not required to obtain sophisticated statistics and data, including the probability of default, specific to each trade debtor of the Group.

As at 30 September 2024, the trade receivables of two major customers amounted to approximately RMB885,220,000 (representing a gross amount of RMB1,061,911,000, net of ECL of RMB176,691,000).

During the period ended 30 September 2025, in view of the adverse change of market conditions, the Group applied specific data, including the probability of default of the Group's two major customers when estimating their ECL. The comparable specific data applied in estimating ECL of the two major customers as at 30 September 2024, the effect of the restatements on those financial statements relevant to the condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 September 2024 is summarised as follows:

	Previously reported *RMB'000*	**Restatement adjustments** *RMB'000*	**Restated** *RMB'000*
For the period ended 30 September 2024			
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Impairment loss under expected credit loss model, net	(10,338)	(75,098)	(85,436)
Loss before tax for the period from continuing operations	(68,009)	(75,098)	(143,107)
Loss for the period from continuing operations	(70,205)	(75,098)	(145,303)
Loss for the period	(117,265)	(75,098)	(192,363)
Total comprehensive expense for the period	(117,543)	(75,098)	(192,641)
Loss for the period attributable to owners of the Company	(116,029)	(70,530)	(186,559)
Loss for the period attributable to the owners of the Company from continuing operations	(68,969)	(70,530)	(139,499)
Loss for the period attributable to non-controlling interests	(1,236)	(4,568)	(5,804)
Total comprehensive expense attributable to owners of the Company	(116,307)	(70,530)	(186,837)
Total comprehensive expense attributable to non-controlling interests	(1,236)	(4,568)	(5,804)
Total comprehensive expense attributable to owners of the Company from continuing operations	(69,247)	(70,530)	(139,777)
From continuing and discontinued operations			
Basic loss per share *(HK cents)*	(1.77)	(1.08)	(2.85)
Diluted loss per share *(HK cents)*	(1.77)	(1.08)	(2.85)
From continuing operations			
Basic loss per share *(HK cents)*	(1.05)	(1.08)	(2.13)
Diluted loss per share *(HK cents)*	(1.05)	(1.08)	(2.13)

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The condensed consolidated financial statements contain selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements.

The accounting policies adopted in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2025, except for the first time of the following new Interpretation and amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") that are relevant for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKAS 21	*Lack of Exchangeability*

The application of these new and amendments to HKFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performances for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION AND REVENUE

Information reported to the Group's executive directors, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and performance assessment focuses on the nature of operations.

Specifically, the Group's reportable segments during the period are as follows:

Production and sales of LNG	Wholesale of LNG
Oil and gas transactions	Trading of oil and gas contracts
Piped gas	Sales of piped gas and construction of gas pipeline infrastructure

In addition, the operations of sales of vehicle gas at refuelling stations and LNG transportation operation are reported as "other operations".

Segments turnover and results

For the six months ended 30 September 2025

	Continuing Operations		**Discontinued Operation**		
	Production and sales of LNG *RMB'000* **(Unaudited)**	**Oil and gas transactions** *RMB'000* **(Unaudited)**	**Piped gas** *RMB'000* **(Unaudited)**	**Other operations** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue from external customers	**244,892**	**12,600**	**–**	**12,507**	**269,999**
Segment results	**(9,338)**	**(20,914)**	**–**	**(1,249)**	**(31,501)**
Interest income					**4**
Other gains and losses					**1,825**
Share of results of associates					**11,353**
Finance costs					**(87,727)**
Unallocated corporate expenses					**(14,402)**
Loss before tax					**(120,448)**

For the six months ended 30 September 2024

	Continuing Operations		Discontinued Operation		
	Production and sales of LNG *RMB'000* (Unaudited) (Restated)	Oil and gas transactions *RMB'000* (Unaudited) (Restated)	Piped gas *RMB'000* (Unaudited)	Other operations *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited) (Restated)
Segment revenue from external customers	292,482	215,259	–	24,822	532,563
Segment results	(16,898)	(76,291)	(47,060)	1,196	(139,053)
Interest income					8
Other gains and losses					(13,825)
Share of results of associates					13,038
Finance costs					(46,831)
Unallocated corporate expenses					(3,504)
Loss before tax					(190,167)

Segment assets and liabilities

Information of the operating segments of the Group reported to the CODM for the purposes of resource allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities information are presented.

Revenue

The Group's total revenue for the Period amounted to RMB257,639,000 (for the six months ended 30 September 2024: RMB322,297,000) comprised (i) revenue from oil and gas sales contracts of RMB240,000 (for the six months ended 30 September 2024: RMB4,993,000) and (ii) other revenue from contracts with customers of RMB257,399,000 (for the six months ended 30 September 2024: RMB317,304,000). Additional line items are presented in consolidated statements of profit or loss and other comprehensive income to separately show revenue from oil and gas contracts.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	Six months ended 30 September					
	2025			2024		
	Continuing Operations ***RMB'000*** **(Unaudited)**	**Discontinued Operation** ***RMB'000*** **(Unaudited)**	**Consolidated** ***RMB'000*** **(Unaudited)**	Continuing Operations *RMB'000* (Unaudited)	Discontinued Operation *RMB'000* (Unaudited)	Consolidated *RMB'000* (Unaudited)
Wholesale of LNG	**244,892**	**–**	**244,892**	292,482	–	292,482
Trading of oil and gas contracts	**240**	**–**	**240**	4,993	–	4,993
Sales of piped gas	**–**	**–**	**–**	–	–	–
Construction of gas pipeline infrastructure	**–**	**–**	**–**	–	–	–
Sales of vehicle gas at refuelling stations	**10,724**	**–**	**10,724**	19,770	–	19,770
LNG transportation	**1,783**	**–**	**1,783**	5,052	–	5,052
Sales commission	**–**	**–**	**–**	–	–	–
	257,639	**–**	**257,639**	322,297	–	322,297

4. OTHER INCOME

	Six months ended 30 September					
	2025			2024		
	Continuing Operations	**Discontinued Operation**	**Consolidated**	Continuing Operations	Discontinued Operation	Consolidated
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Banks interest income	**4**	**–**	**4**	8	–	8
Others	**376**	**–**	**376**	1,897	–	1,897
	380	**–**	**380**	1,905	–	1,905

5. OTHER GAINS AND LOSSES

	Six months ended 30 September					
	2025			2024		
	Continuing Operations	**Discontinued Operation**	**Consolidated**	Continuing Operations	Discontinued Operation	Consolidated
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Net foreign exchange (losses) gains	**1,492**	**–**	**1,492**	(17,293)	–	(17,293)
Others	**333**	**–**	**333**	562	–	562
	1,825	**–**	**1,825**	(16,731)	–	(16,731)

6. LOSS BEFORE TAX

	Six months ended 30 September					
	2025			2024		
	Continuing Operations	**Discontinued Operation**	**Consolidated**	Continuing Operations	Discontinued Operation	Consolidated
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
Loss before taxation has been arrived at after charging:						
Amortisation of intangible assets	**–**	**–**	**–**	–	–	–
Depreciation of right-of-use assets	**971**	**–**	**971**	1,294	–	1,294
Cost of inventories recognised as an expense	**235,910**	**–**	**235,910**	269,755	–	269,755
Depreciation of property, plant and equipment	**19,335**	**–**	**19,335**	16,693	–	16,693
Directors' emoluments	**1,333**	**–**	**1,333**	1,192	–	1,192
Salaries and other benefits	**16,499**	**–**	**16,499**	10,038	–	10,038
Retirement benefits contributions	**4,034**	**–**	**4,034**	2,704	–	2,704
Total staff costs (excluding directors' emoluments)	**20,533**	**–**	**20,533**	12,742	–	12,742

7. INCOME TAX CREDITS (EXPENSE)

	Six months ended 30 September					
	2025			2024		
	Continuing Operations	**Discontinued Operation**	**Consolidated**	Continuing Operations	Discontinued Operation	Consolidated
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Unaudited)	(Unaudited)	(Unaudited)
The credit (charge) comprises:						
Current taxation						
PRC Enterprise Income Tax ("**EIT**")	**(33)**	**–**	**(33)**	174	–	174
Over (under) provision in prior periods	**15**	**–**	**15**	(545)	–	(545)
	(18)	**–**	**(18)**	(371)	–	(371)
Deferred taxation						
Current period	**81**	**–**	**81**	(1,825)	–	(1,825)
	63	**–**	**63**	(2,196)	–	(2,196)

Under the two-tiered profits tax rates regime, the first HKD2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax was calculated at a flat rate of 16.5% of the estimated profits. No provision of Hong Kong Profits Tax has been made as the Group has no assessable profits generated in Hong Kong for the periods ended 30 September 2025 and 2024.

PRC EIT has been provided for at the applicable income tax rate of 25% on the assessable profits of the PRC companies comprising the Group during the periods, except for certain subsidiaries of the Group, namely, 鄂爾多斯市星星能源有限公司 ("**Xingxing Energy**"), 達州市匯鑫能源有限公司 ("**Huixin Energy**") and 貴州華亨能源投資有限公司 ("**Huaheng Energy**") which are taxed at concessionary rate in certain periods.

As set out below, the applicable PRC EIT concessionary rate for Xingxing Energy, Huixin Energy and Huaheng Energy is 15%, which are under the preferential tax treatment that given to companies established in the western regions in the PRC and derived at least 70% of their total income from their main business in oil and gas industry which falling within the list of encouraged industries specified by the PRC government.

Xingxing Energy was registered with the local tax authority to be eligible to the reduced 15% enterprise income tax rate from 2013 to 2020 and further extended to 2030. Accordingly, Xingxing Energy is eligible for the PRC EIT of 15% (2024: 15%).

Huixin Energy was registered with the local tax authority to be eligible to the reduced 15% enterprise income tax rate from 2012 to 2020 and further extended to 2030. Accordingly, Huixin Energy is eligible for the PRC EIT of 15% (2024: 15%).

Huaheng Energy has been entitled to a 15% preferential rate since its establishment on 24 June 2011 with no definite period and subject to annual review and approval of local tax authority.

According to the PRC income tax law and its relevant regulations, entities that are qualified as small and low profit enterprise are entitled to a preferential income tax rate of 5% from 1 January 2023 to 31 December 2027.

8. DIVIDEND

No dividend was paid, declared or proposed during both interim periods, nor has any dividend been proposed since the end of the reporting period.

9. LOSS PER SHARE

The calculation of the basic loss per share from continuing and discontinued operations for the six months ended 30 September 2025 is based on the loss attributable to owners of the Company of approximately RMB115,400,000 (for the six months ended 30 September 2024: loss of approximately RMB186,559,000) and the weighted average number of 6,545,621,131 (as at 30 September 2024: 6,545,621,131) ordinary shares in issue during the Period.

The calculation of the basic loss per share from continuing operations for the six months ended 30 September 2025 is based on the loss attributable to owners of the Company arises from continuing operations of approximately RMB115,400,000 (for the six months ended 30 September 2024: loss of approximately RMB139,499,000) and the weighted average number of 6,545,621,131 (as at 30 September 2024: 6,545,621,131) ordinary shares in issue during the Period.

There were no potential dilutive ordinary shares in issue for the six months ended 30 September 2025 and 2024.

10. TRADE AND OTHER RECEIVABLES

	As at 30 September 2025	As at 31 March 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**1,209,373**	1,228,696
Less: Allowance for credit losses	**(1,098,425)**	(1,090,483)
	110,948	138,213
Other receivables	**210,689**	24,221
Less: Allowance for credit losses	**(19,553)**	(19,505)
	191,136	4,716
Prepayments	**2,297,256**	2,297,317
Less: Allowance for credit losses	**(1,347,345)**	(1,339,751)
	949,911	957,566
	1,251,995	1,100,495

The Group generally requires prepayments made by customers before delivery of goods or provision of services, except for certain customers arising from the sales of oil and gas transactions to which the Group allows an average credit period of 30 to 360 days. The Group also accepts bills issued by reputable PRC banks from customers as settlement of trade receivables.

Before accepting a new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the dates of delivery of goods or rendering of services, at the end of the reporting period.

	As at 30 September 2025	As at 31 March 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 30 days	**240**	3,731
31–90 days	**125**	82
91–180 days	**46**	–
181–365 days	**65**	67,827
Over 365 days	**110,472**	66,573
	110,948	138,213

11. TRADE PAYABLES AND OTHER LIABILITIES

	As at 30 September 2025	As at 31 March 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**161,354**	172,945
Other payables	**404,090**	142,346
Other handing fee payables	**42,224**	34,787
Other tax payables	**25,679**	23,951
Payroll payables	**8,866**	6,676
Receipt from exercise of put option	**2,500**	2,500
Receipts in advance *(note)*	**851,694**	851,694
	1,496,407	1,234,899

Trade payables arisen from oil and gas purchase contracts are granted by suppliers with an average credit period ranging from seven days to nine months after date of delivery in the bills of lading, and trade payables arisen from production and sales of LNG are granted by suppliers with an average credit period ranging from 30 days to 90 days after date of delivery.

Besides, certain suppliers also require to have prepayments received before the supply of materials. The Group arranges for certain of its prepayments or settlement of trade payables by bills payables.

Note: Receipts in advance represent security deposits from customers of oil and gas sales contracts.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	As at 30 September 2025 *RMB'000* **(Unaudited)**	As at 31 March 2025 *RMB'000* (Audited)
Within 90 days	**16,046**	56,688
91–180 days	**2,974**	4,819
181–365 days	**51,137**	29,204
Over 1 years	**91,197**	82,234
	161,354	172,945

12. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group spent approximately RMB3,161,000 (for the six months ended 30 September 2024: approximately RMB1,680,000) on property, plant and equipment.

13. BANK AND OTHER BORROWINGS

During the Period, the Group obtained new bank and other loans amounting to approximately RMB40.5 million (for the six months ended 30 September 2024: approximately RMB41 million). The loans carried interest at fixed/variable market rates ranging from 3.70% to 12% per annum. During the Period, the Group repaid bank and other loans amounting to approximately RMB45.5 million (for the six months ended 30 September 2024: approximately RMB24.1 million).

14. SHARE CAPITAL

	(Unaudited) As at 30 September 2025		(Audited) As at 31 March 2025	
	No. of shares ***'000***	**Share capital** ***HK$'000***	No. of shares *'000*	Share capital *HK$'000*
Share of HK$0.10 each				
Authorised:				
At the beginning of the reporting period	**10,000,000**	**1,000,000**	10,000,000	1,000,000
Increase *(Note)*	**90,000,000**	**9,000,000**	–	–
At the end of the reporting period	**100,000,000**	**10,000,000**	10,000,000	1,000,000
Ordinary shares, issued and fully paid:				
At the beginning of the reporting period and **at the end of the reporting period**	**6,545,621**	**RMB551,378**	6,545,621	RMB551,378

Note: Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 29 September 2025, the authorised share capital of the Company was increased by HK$9,000,000,000 by creating an additional 90,000,000,000 new shares of HK$0.1 each.

15. DISCONTINUED OPERATION

Huaheng Energy was established in June 2011 and had been held as to 49%, 1% and 50% directly by Guangzhou Yuanheng Gas Co., Limited* ("**Guangzhou Yuanheng**"), Dazhou Huixin Energy Co., Ltd.* ("**Dazhou Huixin**"), and Guizhou Gas Group Corporation Ltd.* ("**Guizhou Gas**") respectively. Dazhou Huixin is currently owned by Guangzhou Yuanheng as to 69%, and is an indirectly non-wholly owned subsidiary of Guangzhou Yuanheng. The primary business of Huaheng Energy is to supply and sale of LNG and piped natural gas in the Renhuai Winery Region of Guizhou Province, the PRC.

As Guizhou Gas has committed that the control of Huaheng Energy at both board and shareholders' meetings would rest with Guangzhou Yuanheng, Huaheng Energy has been recognised as the principal subsidiary of the Company through which the Company has carried out its businesses under the piped gas segment.

As disclosed in the Company's announcement dated 28 June 2023, and the Company's annual reports for the year ended 31 March 2023 and 31 March 2024, the operation of Huaheng Energy was suspended due to the failure to obtain a renewal of its permit from Renhuai Municipal Integrated Administrative Bureau in August 2022. As an emergent transitional arrangement, Guizhou Gas (Group) Renhuai City Gas Co., Ltd.* ("**Renhuai Gas**", a wholly-owned subsidiary of Guizhou Gas) has become responsible for the supply and sale of piped natural gas to wine distiller users to mitigate litigation risk against Huaheng Energy as well as to enable the Group and Guizhou Gas have sufficient time to handle the issue of Huaheng Energy.

During the process of long efforts and follow-up actions to resume the permit of Huaheng Energy, the Group gradually realised that Guizhou Gas had different views regarding the quantity of piped gas supplied through pipes of Huaheng Energy to the users and its related settlement amounts. Therefore, the Group (via Guangzhou Yuanheng as plaintiff) initiated a legal action in an intermediate court in Guizhou Province, the PRC, against Guizhou Gas, Renhuai Gas and related officers designated by Guizhou Gas in late June 2024 ("**PRC Legal Action**"). Details of the litigation are set out in the Company's announcement dated 18 November 2024. On 1 August 2025, the Group received the second-instance judgment, whereby all claims submitted by the Group were dismissed by the Guizhou Provincial Higher People's Court. The Group is consulting its PRC legal advisors in respect of applying to the Supreme People's Court for a retrial of the case.

After having regard to the circumstances and the increasingly strained working relationship with Guizhou Gas despite the prior commitments in connection with the above, the Group had lost control over Huaheng Energy from an accounting perspective and had de-consolidated Huaheng Energy.

Retained interest in the deconsolidated subsidiary represents the fair value of Huaheng Energy at the date of deconsolidation, which is measured using discounted cash flows projection with reference to financial forecasts covering a five-year period.

Since Guangzhou Yuanheng, which is a wholly owned subsidiary of the Group, has issued financial guarantees to the banks for loan borrowings obtained by Huaheng Energy which has defaulted on repayments of the loans, the Group is obligated to repay to the lenders. The Group's total indebtedness amounts to approximately RMB97,520,000, which represents the combined total of the outstanding principals and interests, is accounted for as financial guarantee contract liabilities in the Group's condensed consolidated statement of financial position.

As the results of Huaheng Energy form a separate operating segment of piped gas, it is classified as a discontinued operation in the condensed consolidated financial statements of the Group. The carrying amounts of assets and liabilities of Huaheng Energy at the date of deconsolidation, and the results of the discontinued operation, which have been included in the condensed consolidated statement of profit or loss and other comprehensive income, were as follows:

(a) Results of discontinued operation

The loss for the period from the discontinued operation is set out below.

	Six months ended 30 September	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period from discontinued operation	**–**	–
Loss on disposal of discontinued operation	**–**	(47,060)
	–	(47,060)

The results of the discontinued operation for the six months ended 30 September 2025 and 2024 which have been included in the condensed consolidated statement of profit or loss and other comprehensive income are as follows:

	Six months ended 30 September	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**–**	–
Cost of sales and services	**–**	–
Loss before tax	**–**	–
Income tax expenses	**–**	–
Loss after tax	**–**	–

The net cash flows incurred by the discontinued operation are as follows:

	Six months ended 30 September	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash inflows from operation activities	**–**	–
Net cash outflows used in investing activities	**–**	–
Net cash inflows from financing activities	**–**	–
Net decrease in cash and cash equivalents	**–**	–

(b) Assets and liabilities of Huaheng Energy at the date of deconsolidation

	RMB'000
Net liabilities of the deconsolidated subsidiary derecognised:	
Property, plant and equipment	55,422
Right-of-use assets	2,547
Deferred tax assets	187
Inventories	51
Trade and other receivables	2,730
Contract assets	57
Tax recoverable	5,706
Bank balances and cash	376
Trade payables and other liabilities	(24,777)
Contract liabilities	(3,760)
Bank borrowings	(95,269)
	(56,730)
Loss on deconsolidation of the subsidiary:	
Net liabilities of the deconsolidated subsidiary derecognised	56,730
Release of reserve upon deconsolidation	(6,270)
	50,460
Assets and liabilities retained from deconsolidation	(97,520)
	(47,060)
Assets and liabilities retained from deconsolidation:	
Financial guarantee contract liabilities	(97,520)
Net cash outflow arising on deconsolidation:	
Bank balances and cash derecognised	(376)

16. FAIR VALUE MEASUREMENT

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the fair value is observable.

Items	Fair Value	Fair value hierarchy	Valuation technique(s) & key inputs
Derivative financial instrument – Forward contract	RMB2,500,000 (31 March 2025: RMB2,500,000)	Level 3	Discounted cash flow method was used to capture the present value of the receipt of consideration by the Group as forward price based on an appropriate discount rate *(note)*

Note: Significant unobservable inputs of derivative financial instruments include the discount rate, the settlement risk from the sellers and the underlying fair value of the equity interest of the investments. No sensitivity analysis is presented as the directors of the Company consider the movement in fair value of derivative financial instruments is insignificant.

There were no transfers between the different levels of the fair value hierarchy in the current and prior periods.

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

In the opinion of the directors of the Company, no financial instruments of the Group are carried at amount materially different from their fair values as at 30 September 2025 and 31 March 2025.

17. LITIGATION

Up to the date of the announcement, the Group has one outstanding litigation regarding the settlement of operational payables. The Group has been proactive in seeking ways to settle the litigation.

The Group is confident that it will be able to reach an amicable solution to address the claims and disputes where the outcome is not certain at this stage.

The Group took a legal action in an intermediate court in Guizhou Province, the PRC, against Guizhou Gas, its subsidiary and related officers designated by Guizhou Gas in late June 2024. Details of the litigation are mentioned in Note 15 to the unaudited condensed consolidated financial statements.

The Group will further update the Shareholders and potential investors about the litigation progress as and when appropriate.

DIVIDEND

The Board of Directors have resolved not to declare an interim dividend for the six months ended 30 September 2025 (for the six months ended 30 September 2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

Group results

During the period from 1 April 2025 to 30 September 2025 (the "**Period**") and at present, the Group has been principally engaged in (i) the trading of oil and gas products and the provision of related consultancy services; and (ii) the processing, distribution, sales, trading and transportation of LNG and other auxiliary operations and networks in the PRC.

During the Period, the Group recorded an unaudited consolidated gross amount from operations ("**turnover**") of approximately RMB270 million (six months ended 30 September 2024: approximately RMB533 million), mainly contributed by the production and sales of LNG and oil and gas transactions, with loss after tax of approximately RMB120 million (six months ended 30 September 2024: approximately RMB192 million). The decrease in loss after tax was mainly due to the following factors: (1) the Group recorded a one-off loss from discontinued operation of approximately RMB47 million in the six months ended 30 September 2024, while no such loss was recorded in the Period, details of which are set out in the section headed "Significant Investment and Material Acquisitions and Disposals" below and Note 15 to the unaudited condensed consolidated financial statements; (2) the impairment loss under expected credit loss model decreased to approximately RMB25 million, representing a decrease of approximately RMB60 million as compared with approximately RMB85 million in the corresponding period of last year, net off with (3) increase in finance expenses by approximately RMB41 million due to the recognition of overdue interest on bank borrowings.

Production and sales of LNG

During the Period, the Group produced approximately 180,000,000 cubic meters of LNG, representing a decrease of approximately 39,000,000 cubic meters or 17.81% compared with the same period of last year. The turnover from the production and sales of LNG business for the Period was approximately RMB245 million, representing a decrease of approximately RMB48 million or 16.38% compared with the same period of last year, contributing approximately 90.7% of the total turnover of the Group. Gross profit of the segment decreased by approximately RMB4 million to approximately RMB19 million (six months ended 30 September 2024: approximately RMB23 million), with gross profit margin remained stable at around 7.9%.

Due to the intense competition in domestic gas market and slow economic recovery, the demand was suppressed. During the Period, the Group reduced the production and sales of LNG and endeavored to secure more customers and contracts to which the Group provides liquefaction service only, while improving operational efficiency and reducing production losses. As a result, the gross profit margin for the production and sales of LNG remained basically unchanged, whilst revenue declined.

Sales of piped gas

During the Period, no revenue (six months ended 30 September 2024: Nil) arose from the sales of piped gas as a result of expiry of the gas operation permit of Huaheng Energy since August 2022. Huaheng Energy was deconsolidated last year and its results formed a separate operating segment of piped gas, and the piped gas business was classified as a discontinued operation, which details are set out in the section headed "**Significant Investment and Material Acquisitions and Disposals**" below and Note 15 to the unaudited condensed consolidated financial statements.

Oil and gas transactions

During the Period, revenue arising from oil and gas transactions business decreased to approximately RMB13 million from approximately RMB215 million, contributing approximately 4.7% of the total turnover of the Group, representing a decrease of approximately RMB202 million or 94.0% from the six months ended 30 September 2024. Gross profit decreased to approximately RMB0.2 million from approximately RMB5 million, with gross profit margin decreased from approximately 2.3% to approximately 1.9%.

Due to intense competition in the domestic market and a slow economic recovery, the average selling prices of oil and gas products are trending downward, ultimately causing gross margin to decline during the Period. The Group has been reducing volume of trading business to reduce business risk and to improve the efficiency of working capital and therefore the sales dropped significantly during the Period.

Significant Investment and Material Acquisitions and Disposals

Discontinued Operation

Huaheng Energy was established in June 2011 and had been held as to 49%, 1% and 50% directly by Guangzhou Yuanheng Gas Co., Limited* ("**Guangzhou Yuanheng**"), Dazhou Huixin Energy Co., Ltd.* ("**Dazhou Huixin**"), and Guizhou Gas Group Corporation Ltd.* ("**Guizhou Gas**") respectively. Dazhou Huixin is currently owned by Guangzhou Yuanheng as to 69%, and is an indirectly non-wholly owned subsidiary of Guangzhou Yuanheng. The primary business of Huaheng Energy is to supply and sale of LNG and piped natural gas in the Renhuai Winery Region of Guizhou Province, the PRC.

As Guizhou Gas has committed that the control of Huaheng Energy at both board and shareholders' meetings would rest with Guangzhou Yuanheng, Huaheng Energy has been recognised as the principal subsidiary of the Company through which the Company has carried out its businesses under the piped gas segment.

As disclosed in the Company's announcement dated 28 June 2023, and the Company's annual reports for the year ended 31 March 2023 and 31 March 2024, the operation of Huaheng Energy was suspended due to the failure to obtain a renewal of its permit from Renhuai Municipal Integrated Administrative Bureau in August 2022. As an emergent transitional arrangement, Guizhou Gas (Group) Renhuai City Gas Co., Ltd.* ("**Renhuai Gas**", a wholly-owned subsidiary of Guizhou Gas) has become responsible for the supply and sale of piped natural gas to wine distiller users to mitigate litigation risk against Huaheng Energy as well as to enable the Group and Guizhou Gas have sufficient time to handle the issue of Huaheng Energy.

During the process of long efforts and follow-up actions to resume the permit of Huaheng Energy, the Group gradually realised that Guizhou Gas had different views regarding the quantity of piped gas supplied through pipes of Huaheng Energy to the users and its related settlement amounts. Therefore, the Group (via Guangzhou Yuanheng as plaintiff) initiated a legal action in an intermediate court in Guizhou Province, the PRC, against Guizhou Gas, Renhuai Gas and related officers designated by Guizhou Gas in late June 2024 ("**PRC Legal Action**"). Details of the litigation are set out in the Company's announcement dated 18 November 2024. On 1 August 2025, the Group received the second-instance judgment, whereby all claims submitted by the Group were dismissed by the Guizhou Provincial Higher People's Court. The Group is consulting its PRC legal advisors in respect of applying to the Supreme People's Court for a retrial of the case.

After having regard to the circumstances and the increasingly strained working relationship with Guizhou Gas despite the prior commitments in connection with the above, the Group has concluded that it has lost control over Huaheng Energy from an accounting perspective. Therefore, it is no longer appropriate to account for Huaheng Energy as a subsidiary of the Company.

The Group derecognised the assets and liabilities as well as the non-controlling interests in Huaheng Energy at their carrying amounts at the date when the control was lost, and account for Huaheng Energy's retained interest as a financial asset at fair value through profit or loss when the control was lost. As Guangzhou Yuanheng had issued financial guarantees to the banks for loan borrowings obtained by Huaheng Energy which had defaulted on the repayment of the loans, the Group accounted for the liabilities as financial guarantee contract liabilities in the consolidated statement of financial position. During the Period, the Company recognised an unaudited loss from discontinued operation in the Group's condensed consolidated statement of profit or loss of approximately RMB47 million resulting from a one-off gain from deconsolidation of Huaheng Energy of approximately RMB51 million net off with a loss derived from the recognition of financial guarantee contract liabilities of approximately RMB98 million.

Prospect

Save as the above-mentioned incident in respect of the discontinued operation, despite the instability and volatile market environment, the Board would like to highlight that other business operations of the Group remain as usual.

Looking ahead, the global economic recovery and domestic market resumption will be sluggish, it is expected the demand will be under pressure. However, we expect the fundamentals for the long-term improvement of China economy will remain unchanged, and the domestic market will slowly recover under the effective measures imposed by the PRC government. The PRC government persists in preventing and controlling pollution with full force, being resolute in promoting clean production in enterprises and steadily implements coal-control objectives in key regions. As a result, we expect the demand for natural gas will maintain a steady growth. The Group expects that such government policies in the natural gas market would be conducive to the market environment in which the Group operates.

Although competition in the energy market remains fierce and the Group is in a process to restructure its business and debts for a solid foundation to maintain a long-term operation and growth. The management will continue to monitor the economy and the external market environment and will continue to adopt prudent measures and implement various strategies to mitigate the adverse impact on the business arising from challenges as in this market condition. Looking forward, the Group will continue to develop its businesses in natural gas sector and to explore new business opportunities in order to create value for its shareholders.

FINANCIAL REVIEW

Turnover

The Group's turnover for the Period was approximately RMB270 million (six months ended 30 September 2024: approximately RMB533 million). The decrease in turnover was mainly attributable to the decrease in turnover in the oil and gas transactions business by approximately RMB202 million, which recorded a turnover of approximately RMB13 million during the Period (six months ended 30 September 2024: approximately RMB215 million).

Gross Profit

Gross profit for the Period was approximately RMB20 million (six months ended 30 September 2024: approximately RMB30 million). The decrease in gross profit was primarily due to (1) decrease in gross profit in the production and sale of LNG by approximately RMB4 million; and (2) decrease in gross profit in the oil and gas transactions by approximately RMB5 million. The Group's gross profit margin for the Period increased from approximately 5.7% (six months ended 30 September 2024) to approximately 7.3%.

Other Income

Other income for the Period was approximately RMB0.3 million (six months ended 30 September 2024: approximately RMB1.9 million).

Other Gains and Losses

For the six months ended 30 September 2025, other gains represented mainly net foreign exchange gains of approximately RMB2 million (six months ended 30 September 2024: net foreign exchange losses of approximately RMB17 million).

Impairment loss under Expected Credit Loss Model

For the six months ended 30 September 2025, an impairment loss under expected credit loss model of approximately RMB25 million (six months ended 30 September 2024: approximately RMB85 million) was recognised. Due to an ongoing global economic slowdown, the debt collection periods have been extended and part of them have become overdue. Impairment loss on prepayment also incurred during the Period.

Administrative Expenses

The Group's administrative expenses for the Period amounted to approximately RMB39 million (six months ended 30 September 2024: approximately RMB37 million) representing an increase of approximately 5.7% as compared to the last period.

Share of Results of Associates

During the Period, a gain of approximately RMB11 million (six months ended 30 September 2024: gain of approximately RMB13 million) in the share of results of associates of the Group was recorded.

Finance Costs

The Group incurred finance costs of approximately RMB88 million during the Period (six months ended 30 September 2024: approximately RMB47 million), representing an increase of approximately 87.3%. The increase was mainly due to the recognition of overdue interest on bank borrowings.

Income Tax Credits (Expenses)

During the Period, income tax credit of the Group was approximately RMB0.1 million (six months ended 30 September 2024: income tax expense of approximately RMB2 million).

Liquidity, Financial Resources and Capital Structure

As at 30 September 2025, the Group's maintained bank balances and cash of approximately RMB8 million (31 March 2025: approximately RMB10 million).

The net current liabilities of the Group as at 30 September 2025 were approximately RMB1,705 million (31 March 2025: approximately RMB1,634 million). The current ratio was approximately 0.43 (31 March 2025: approximately 0.41).

As at 30 September 2025, the Group had borrowings of approximately RMB1,113 million and guaranteed notes of approximately RMB191 million. The gearing ratio, which is debt-to-equity ratio (total borrowings over total equity), of the Group was approximately -1.08 compared to approximately -1.20 as at 31 March 2025.

As at 30 September 2025, the Group had defaulted the repayment of certain bank borrowings of approximately RMB1,035 million and triggered cross-default for other bank borrowings of approximately RMB38 million.

A series of plans and measures have been taken to mitigate liquidity pressure and to improve the financial position of the Group. In order to enhance the liquidity and improve the financial position of the Group, the Group has been actively negotiating with the existing lenders for renewal and extension of bank loans and credit facilities and exploring potential strategic investor to increase the fund reserves and liquidity for, inter alia, repayment of the borrowings.

Capital Expenditure on Property, Plant and Equipment

Capital expenditure for purchase of property, plant and equipment amounted to approximately RMB3 million (six months ended 30 September 2024: approximately RMB2 million) for the Period.

Pledge of Assets

As at 30 September 2025, the Group pledged assets in aggregate amount of approximately RMB234 million (31 March 2025: approximately RMB241 million) to banks for banking facilities.

Capital Commitments

As at 30 September 2025, the Group had no material capital commitments (31 March 2025: Nil).

Treasury Policy

The Group mainly operates in China with most of the transactions denominated and settled in RMB, HK Dollar and US Dollar. The exposure of exchange fluctuation in respect of RMB and HK/US Dollar could affect the Group's performance and asset value. However, there are no liquidity problems resulting from currency exchange fluctuations. The Group still monitors the overall currency exposures.

Employee Information

As at 30 September 2025, the Group had about 255 employees (31 March 2025: about 271). The remuneration packages are generally structured with reference to market conditions and the individual qualifications. Salaries and wages of the Group's employees are normally reviewed on an annual basis based on performance appraisals and other relevant factors.

EVENTS AFTER THE REPORTING PERIOD

The Company is not aware of any material subsequent events after 30 September 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in the Code on Corporate Governance Practices (the "**CG Code**") in Appendix C1 of the Listing Rules throughout the six months ended 30 September 2025, except for the deviations discussed below.

Code provision C.2.1

Pursuant to C.2.1 of the CG Code, the roles of chairman and chief executive officer ("**CEO**") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. Wang Jianqing ("**Mr. Wang**") is the chairman of the Company since 27 January 2011 and was appointed the CEO of the Company on 15 September 2011. The Board considers that Mr. Wang possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. The present structure is more suitable to the Company because it can promote the efficient formulation and implementation of the Company's strategies. Through the supervision of the Board and the audit committee, balance of power and authority can be ensured and there is no imminent need to change the arrangement.

Code provision F.2.2

Pursuant to F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. Wang Jianqing, the Chairman of the Board and the executive Director of the Company, was unable to attend the 2025 annual general meeting of the Company held on 29 September 2025 (the "**2025 AGM**") in person because he was unfit for travel for medical reasons, but attended via telephone. However, Mr. Bao Jun, the executive Director, had taken the chair of the 2025 AGM in accordance with the bye-laws of the Company. Mr. Bao was of sufficient calibre and knowledge for communication with the shareholders at the 2025 AGM.

Code provision C.6.2

Pursuant to C.6.2 of the CG Code, the appointment of the company secretary should be dealt with by a physical board meeting rather than a written resolution. The appointment of the current company secretary was dealt with by a written resolution in September 2013. The Board considers that, prior to the execution of the written resolution to appoint the current company secretary, all Directors were individually consulted on the matter without any dissenting opinion and there was no need to approve the matter by a physical board meeting instead of a written resolution.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the Company's code for Directors' securities transaction.

Following specific enquiries by the Company, all the Directors have confirmed in writing their compliance with the required standards set out in the Model Code throughout the Period.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the six months ended 30 September 2025 have been reviewed by the Audit Committee of the Company.

DEALING IN COMPANY'S LISTED SECURITIES

During the Period, there were no purchases, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement of interim results is available for viewing on the website of Hong Kong Exchange and Clearings Limited at (www.hkexnews.hk) under "Latest Listed Company Information" and on the company website at (www.yuanhenggas.com). The interim report of the Company containing all the information required by the Listing Rules will be published on the above websites in due course.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank each and every of the management, staff and employees for their dedication, loyalty and commitment in the past.

By order of the Board
Yuan Heng Gas Holdings Limited
Wang Jianqing
Chairman and Chief Executive Officer

Hong Kong, 26 November 2025

As at the date of this announcement, the executive Directors are Mr. Wang Jianqing and Mr. Bao Jun; and the independent non-executive Directors are Dr. Leung Hoi Ming, Dr. Wong Siu Hung Patrick and Ms. Lin Ying.

* *For identification only*