



**中国港能**  
**CHINA HK POWER**

**CHINA HK POWER SMART ENERGY GROUP LIMITED**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 931)

*Empowering*

**INNOVATION  
SHARING**

*Growth*



**2025**  
**INTERIM REPORT**

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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Dr. Kan Che Kin, Billy Albert (*Chairman*)  
Mr. Deng Yaobo (*Chief executive officer*)  
Mr. Li Kai Yien, Arthur Albert

## NON-EXECUTIVE DIRECTORS

Mrs. Kan Kung Chuen Lai  
Mr. Simon Murray

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Siu Yui  
Mr. Lam Lum Lee  
Mr. Chow Ching Ning

## COMPANY SECRETARY

Mr. Fung Chun Yin

## AUTHORISED REPRESENTATIVES

Dr. Kan Che Kin, Billy Albert  
Mr. Li Kai Yien, Arthur Albert

## AUDIT COMMITTEE

Mr. Li Siu Yui (*Chairman*)  
Mr. Chow Ching Ning  
Mr. Lam Lum Lee

## REMUNERATION COMMITTEE

Mr. Li Siu Yui (*Chairman*)  
Mr. Chow Ching Ning  
Dr. Kan Che Kin, Billy Albert

## NOMINATION COMMITTEE

Mr. Li Siu Yui (*Chairman*)  
Mr. Chow Ching Ning  
Dr. Kan Che Kin, Billy Albert

## REGISTERED OFFICE

Cricket Square Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8th Floor,  
St. John's Building  
33 Garden Road  
Central, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 158, Gardenia Court, Camana Bay  
KY1-1110, Grand Cayman, Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road, Hong Kong

## PRINCIPAL BANKERS

Agricultural Development Bank of China Limited  
Bank of China Limited  
China Construction Bank Corporation Limited  
Hang Seng Bank Limited  
Hankou Bank Company Limited

## STOCK CODE

Hong Kong Stock Exchange: 931

## WEBSITE

<http://chinahkpower.todayir.com>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2025

|                                                                                      |       | For the six months ended<br>30 September |                                 |
|--------------------------------------------------------------------------------------|-------|------------------------------------------|---------------------------------|
|                                                                                      | Notes | 2025<br>(Unaudited)<br>HK\$'000          | 2024<br>(Unaudited)<br>HK\$'000 |
| <b>REVENUE</b>                                                                       | 5     | <b>253,113</b>                           | 252,777                         |
| Cost of sales                                                                        |       | (237,618)                                | (211,988)                       |
| Gross profit                                                                         |       | <b>15,495</b>                            | 40,789                          |
| Other income and other gains and losses,<br>net                                      | 6     | (12,749)                                 | 1,832                           |
| Selling and distribution expenses                                                    |       | (6,835)                                  | (12,536)                        |
| Administrative expenses                                                              |       | (49,981)                                 | (67,138)                        |
| Reversal of impairment of account receivables                                        |       | 290                                      | 1,459                           |
| Finance costs                                                                        | 7     | (14,998)                                 | (14,334)                        |
| Provision of penalty charge on legal<br>proceedings                                  | 8     | (5,817)                                  | (7,431)                         |
| Share of results of joint ventures                                                   |       | 1,961                                    | 1,791                           |
| <b>LOSS BEFORE TAX</b>                                                               | 9     | <b>(72,634)</b>                          | (55,568)                        |
| Income tax expense                                                                   | 10    | (144)                                    | (1,450)                         |
| <b>LOSS FOR THE PERIOD</b>                                                           |       | <b>(72,778)</b>                          | (57,018)                        |
| Loss for the period attributable to:                                                 |       |                                          |                                 |
| Owners of the Company                                                                |       | (70,809)                                 | (52,895)                        |
| Non-controlling interests                                                            |       | (1,969)                                  | (4,123)                         |
|                                                                                      |       | <b>(72,778)</b>                          | (57,018)                        |
| <b>LOSS PER SHARE ATTRIBUTABLE TO<br/>ORDINARY EQUITY HOLDERS OF THE<br/>COMPANY</b> | 12    |                                          |                                 |
| –Basic                                                                               |       | <b>HK\$(1.00) cents</b>                  | HK\$(0.81) cents                |
| –Diluted                                                                             |       | <b>HK\$(1.00) cents</b>                  | HK\$(0.81) cents                |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2025

|                                                                          | For the six months ended<br>30 September |                                 |
|--------------------------------------------------------------------------|------------------------------------------|---------------------------------|
| Note                                                                     | 2025<br>(Unaudited)<br>HK\$'000          | 2024<br>(Unaudited)<br>HK\$'000 |
| <b>LOSS FOR THE PERIOD</b>                                               | <b>(72,778)</b>                          | <b>(57,018)</b>                 |
| <b>OTHER COMPREHENSIVE INCOME<br/>AFTER TAX</b>                          |                                          |                                 |
| Items that may be reclassified subsequently to<br>profit or loss:        |                                          |                                 |
| Exchange differences arising on translation<br>of foreign operations of: |                                          |                                 |
| – subsidiaries                                                           | 4,674                                    | (687)                           |
| – joint ventures                                                         | 890                                      | (61)                            |
| <b>OTHER COMPREHENSIVE INCOME FOR<br/>THE PERIOD, NET OF TAX</b>         | <b>5,564</b>                             | <b>(748)</b>                    |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE PERIOD</b>                     | <b>(67,214)</b>                          | <b>(57,766)</b>                 |
| Total comprehensive income attributable to:                              |                                          |                                 |
| Owners of the Company                                                    | (64,541)                                 | (54,237)                        |
| Non-controlling interests                                                | (2,673)                                  | (3,529)                         |
|                                                                          | <b>(67,214)</b>                          | <b>(57,766)</b>                 |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

|                                                             |       | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-------------------------------------------------------------|-------|-----------------------------------------------------------|-------------------------------------------|
|                                                             | Notes |                                                           |                                           |
| <b>NON-CURRENT ASSETS</b>                                   |       |                                                           |                                           |
| Property, plant and equipment                               | 13    | <b>452,873</b>                                            | 447,524                                   |
| Other intangible assets                                     |       | <b>3,011</b>                                              | 3,502                                     |
| Right-of-use assets                                         | 14    | <b>139,276</b>                                            | 108,984                                   |
| Goodwill                                                    |       | <b>82,308</b>                                             | 82,308                                    |
| Interests in joint ventures                                 |       | <b>84,688</b>                                             | 81,782                                    |
| Deposits for acquisition of plant and equipment             |       | <b>137,812</b>                                            | 136,340                                   |
| Deposits for acquisition of land use rights                 |       | <b>31,669</b>                                             | 31,331                                    |
| Other assets                                                |       | <b>283,090</b>                                            | 283,090                                   |
| Statutory deposits                                          |       | <b>93</b>                                                 | 93                                        |
| Total non-current assets                                    |       | <b>1,214,820</b>                                          | 1,174,954                                 |
| <b>CURRENT ASSETS</b>                                       |       |                                                           |                                           |
| Inventories                                                 |       | <b>44,138</b>                                             | 38,317                                    |
| Finance lease receivables                                   | 15    | <b>7,850</b>                                              | 7,743                                     |
| Loan and reimbursement receivables                          | 16    | <b>112,787</b>                                            | 112,787                                   |
| Accounts and other receivables,<br>prepayments and deposits | 17    | <b>334,900</b>                                            | 332,328                                   |
| Financial assets at fair value through profit<br>or loss    |       | <b>1</b>                                                  | 1                                         |
| Cash and cash equivalents                                   |       | <b>57,913</b>                                             | 37,269                                    |
| Total current assets                                        |       | <b>557,589</b>                                            | 528,445                                   |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

|                                                     | Notes | 30 September<br>2025<br>(Unaudited)<br>HK\$'000 | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-----------------------------------------------------|-------|-------------------------------------------------|-------------------------------------------|
| <b>CURRENT LIABILITIES</b>                          |       |                                                 |                                           |
| Accounts payable                                    | 18    | 158,968                                         | 158,449                                   |
| Other payables and accruals                         | 19    | 644,902                                         | 627,740                                   |
| Interest-bearing bank borrowings                    | 20    | 170,357                                         | 139,226                                   |
| Lease liabilities                                   | 21    | 4,925                                           | 5,216                                     |
| Tax payable                                         |       | 3,738                                           | 4,873                                     |
| Total current liabilities                           |       | 982,890                                         | 935,504                                   |
| <b>NET CURRENT LIABILITIES</b>                      |       | <b>(425,301)</b>                                | <b>(407,059)</b>                          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>        |       | <b>789,519</b>                                  | <b>767,895</b>                            |
| <b>NON-CURRENT LIABILITIES</b>                      |       |                                                 |                                           |
| Loans from a shareholder                            | 19    | 376,961                                         | 432,722                                   |
| Interest-bearing bank borrowings                    | 20    | 68,765                                          | 75,480                                    |
| Lease liabilities                                   | 21    | 10,870                                          | 12,770                                    |
| Deferred tax liabilities                            |       | 8,623                                           | 8,530                                     |
| Total non-current liabilities                       |       | 465,219                                         | 529,502                                   |
| <b>NET ASSETS</b>                                   |       | <b>324,300</b>                                  | <b>238,393</b>                            |
| <b>CAPITAL AND RESERVES</b>                         |       |                                                 |                                           |
| <b>Equity attributable to owners of the Company</b> |       |                                                 |                                           |
| Issued capital                                      | 22    | 148,714                                         | 133,481                                   |
| Reserves                                            |       | 165,340                                         | 91,993                                    |
| <b>Non-controlling interests</b>                    |       | <b>314,054</b>                                  | <b>225,474</b>                            |
|                                                     |       | <b>10,246</b>                                   | <b>12,919</b>                             |
| <b>TOTAL EQUITY</b>                                 |       | <b>324,300</b>                                  | <b>238,393</b>                            |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

|                                                                  | Attributable to owners of the Company |                           |                                  |                             |                             |                              |                                | Non-controlling interests | Total equity |                   |
|------------------------------------------------------------------|---------------------------------------|---------------------------|----------------------------------|-----------------------------|-----------------------------|------------------------------|--------------------------------|---------------------------|--------------|-------------------|
|                                                                  | Issued capital<br>HK\$'000            | Share premium<br>HK\$'000 | Share option reserve<br>HK\$'000 | Special reserve<br>HK\$'000 | Treasury shares<br>HK\$'000 | Exchange reserve<br>HK\$'000 | Accumulated losses<br>HK\$'000 |                           |              | Total<br>HK\$'000 |
| At 1 April 2024 (audited)                                        | 119,527                               | 566,556                   | 25,421                           | (11,408)                    | (5,572)                     | (104,059)                    | (553,298)                      | 37,167                    | 22,357       | 59,524            |
| Loss for the period                                              | -                                     | -                         | -                                | -                           | -                           | -                            | (52,895)                       | (52,895)                  | (4,123)      | (57,018)          |
| Other comprehensive income for the period:                       |                                       |                           |                                  |                             |                             |                              |                                |                           |              |                   |
| Exchange differences on translation of:                          |                                       |                           |                                  |                             |                             |                              |                                |                           |              |                   |
| Foreign operations of subsidiaries                               | -                                     | -                         | -                                | -                           | -                           | (1,281)                      | -                              | (1,281)                   | 594          | (687)             |
| Foreign operation of joint ventures                              | -                                     | -                         | -                                | -                           | -                           | (61)                         | -                              | (61)                      | -            | (61)              |
| Total comprehensive income for the period                        | -                                     | -                         | -                                | -                           | -                           | (1,342)                      | (52,895)                       | (54,237)                  | (3,529)      | (57,766)          |
| Share-based expenses                                             | -                                     | -                         | 3,620                            | -                           | -                           | -                            | -                              | 3,620                     | -            | 3,620             |
| Allotment of shares                                              | 13,954                                | 286,046                   | -                                | -                           | -                           | -                            | -                              | 300,000                   | -            | 300,000           |
| Cancellation of share options                                    | -                                     | -                         | (509)                            | -                           | -                           | -                            | 509                            | -                         | -            | -                 |
| Sale of treasury shares (i)                                      | -                                     | 956                       | -                                | -                           | 5,572                       | -                            | -                              | 6,528                     | -            | 6,528             |
| Capital contribution by non-controlling interest to a subsidiary | -                                     | -                         | -                                | -                           | -                           | -                            | -                              | -                         | 8,013        | 8,013             |
| At 30 September 2024 (unaudited)                                 | 133,481                               | 853,558                   | 28,532                           | (11,408)                    | -                           | (105,401)                    | (605,684)                      | 293,078                   | 26,841       | 319,919           |

- (i) 15,920,000 treasury shares were sold during the period, the difference between the sale proceeds and the carrying amount of the treasury shares was recognised in share premium.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

|                                                              | Attributable to owners of the Company |                              |                                        |                                |                                 |                                   | Non-<br>controlling<br>interests<br>HK\$'000 | Total<br>equity<br>HK\$'000 |
|--------------------------------------------------------------|---------------------------------------|------------------------------|----------------------------------------|--------------------------------|---------------------------------|-----------------------------------|----------------------------------------------|-----------------------------|
|                                                              | Issued<br>capital<br>HK\$'000         | Share<br>premium<br>HK\$'000 | Share<br>option<br>reserve<br>HK\$'000 | Special<br>reserve<br>HK\$'000 | Exchange<br>reserve<br>HK\$'000 | Accumulated<br>losses<br>HK\$'000 | Total<br>HK\$'000                            |                             |
| At 1 April 2025 (audited)                                    | 133,481                               | 853,558                      | 31,321                                 | (11,408)                       | (122,756)                       | (658,722)                         | 225,474                                      | 238,393                     |
| Loss for the period                                          | -                                     | -                            | -                                      | -                              | -                               | (70,809)                          | (70,809)                                     | (72,778)                    |
| Other comprehensive income<br>for the period:                |                                       |                              |                                        |                                |                                 |                                   |                                              |                             |
| Exchange differences on translation<br>of foreign operations | -                                     | -                            | -                                      | -                              | 5,378                           | -                                 | 5,378                                        | 4,674                       |
| Share of other comprehensive<br>income of joint ventures     | -                                     | -                            | -                                      | -                              | 890                             | -                                 | 890                                          | 890                         |
| Total comprehensive income<br>for the period                 | -                                     | -                            | -                                      | -                              | 6,268                           | (70,809)                          | (64,541)                                     | (67,214)                    |
| Issue of new shares                                          | 15,233                                | 135,692                      | -                                      | -                              | -                               | -                                 | 150,925                                      | 150,925                     |
| Share-based payments                                         | -                                     | -                            | 2,196                                  | -                              | -                               | -                                 | 2,196                                        | 2,196                       |
| At 30 September 2025<br>(unaudited)                          | <u>148,714</u>                        | <u>989,250</u>               | <u>33,517</u>                          | <u>(11,408)</u>                | <u>(116,488)</u>                | <u>(729,531)</u>                  | <u>314,054</u>                               | <u>324,300</u>              |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

|                                                                   | For the six months ended<br>30 September |                                 |
|-------------------------------------------------------------------|------------------------------------------|---------------------------------|
|                                                                   | 2025<br>(Unaudited)<br>HK\$'000          | 2024<br>(Unaudited)<br>HK\$'000 |
| <b>Cash flows from operating activities</b>                       |                                          |                                 |
| Cash used in operations                                           | (11,917)                                 | (26,307)                        |
| Movements in working capital                                      | (24,569)                                 | 17,473                          |
| Tax paid                                                          | (1,346)                                  | (2,370)                         |
| <b>Net cash used in operating activities</b>                      | <b>(37,832)</b>                          | <b>(11,204)</b>                 |
| <b>Cash flows from investing activities</b>                       |                                          |                                 |
| Acquisition of land use right                                     | (33,523)                                 | –                               |
| Payment for the purchase of property, plant and equipment         | (4,520)                                  | (21,263)                        |
| Proceeds from sales of property, plant and equipment              | 3,792                                    | 3,580                           |
| Deposits paid for acquisition of property, plant and equipment    | –                                        | (8,155)                         |
| Disposal of financial assets at fair value through profit or loss | –                                        | 479                             |
| Capital contribution to a subsidiary by non-controlling interest  | –                                        | 8,013                           |
| Capital contribution to a joint venture                           | (55)                                     | –                               |
| Interest received                                                 | 30                                       | 24                              |
| <b>Net cash used in investing activities</b>                      | <b>(34,276)</b>                          | <b>(17,322)</b>                 |
| <b>Cash flows from financing activities</b>                       |                                          |                                 |
| Capital element of lease liabilities payment                      | (2,344)                                  | (1,138)                         |
| Interest element of lease liabilities payment                     | (333)                                    | (93)                            |
| Interest paid on bank borrowings and other borrowings             | (5,419)                                  | (3,397)                         |
| Interest paid on loans from third parties                         | (1,076)                                  | –                               |
| Repayment of bank borrowing                                       | (68,654)                                 | (7,337)                         |
| Repayment of loans from third parties                             | (14,488)                                 | –                               |
| New bank loans                                                    | 90,671                                   | 55,000                          |
| Loan from a shareholder                                           | 83,463                                   | 18,878                          |
| Repayment to a shareholder                                        | –                                        | (6,660)                         |
| Net proceeds from issue of new shares                             | 10,925                                   | –                               |
| Proceeds from disposal of treasury shares                         | –                                        | 6,528                           |
| <b>Net cash generated from financing activities</b>               | <b>92,745</b>                            | <b>61,781</b>                   |
| <b>Net increase in cash and cash equivalents</b>                  | <b>20,637</b>                            | <b>33,255</b>                   |
| <b>Effect of foreign exchange rate changes, net</b>               | <b>7</b>                                 | <b>(567)</b>                    |
| <b>Cash and cash equivalents at beginning of the period</b>       | <b>37,269</b>                            | <b>43,629</b>                   |
| <b>Cash and cash equivalents at end of the period</b>             | <b>57,913</b>                            | <b>76,317</b>                   |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

China HK Power Smart Energy Group Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, its principal place of business in Hong Kong is located at 8th floor, St. John's Building, 33 Garden Road, Central, Hong Kong.

The Company is an investment holding company, the subsidiaries of the Company (together, the "**Group**") are principally engaged in (i) the sales and distribution of natural gas ("**NG**") in the People's Republic of China ("**PRC**"), including wholesale of liquefied natural gas ("**LNG**") and pipeline natural gas ("**PNG**") the point-to-point supply of LNG through industrial gasification stations, dewar bottle filling stations and automobile gas stations, the regional gas pipeline networks that provide pipeline natural gas for rural industrial, commercial and civilian, the supplement supply to the national natural gas pipeline networks, and the distribution of LNG (logistic) services; (ii) the development and production of new energy technology products and integrated solutions in PRC, including promotes modern energy system construction based on several proprietary patents and self-developed core platform technologies, such as "IDH Smart Heating" and "ICE Smart Integrated Energy." The advanced energy utilization technologies include household thermal balance, efficient energy storage, and various other solutions. The business distribution encompasses comprehensive smart energy supply for industrial parks (including but not limited to cooling, heating, and steam supply), smart cooling and heating for building complexes, smart heating for northern residential communities, smart management of building energy efficiency, energy storage, industrial power, electricity operation, and carbon trading, among nine major energy service businesses; (iii) the financial services business, including the provision of finance leasing services for LNG vehicles and equipment as approved by Chinese Ministry of Foreign Trade and Economic Cooperation; (iv) Type 9 (asset management) regulated activities with the licences under the Securities and Futures Ordinance ("**SFO**") issued by the Securities and Future Commission ("**SFC**") in Hong Kong, and (v) money lending business through a valid money lenders' licence under the Money Lenders Ordinance in Hong Kong.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION *(continued)*

The unaudited interim condensed consolidated financial information of the Company for the six months ended 30 September 2025 has not been audited but has been reviewed by the audit committee of the Company. The unaudited interim condensed consolidated financial information was approved for issue by the board of directors of the Company on 28 November 2025.

## 2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Company for the six months ended 30 September 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and applicable disclosure requirements of Appendix D2 to the Rules (the “**Listing Rules**”) governing the Listing of Securities on the Stock Exchange.

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 March 2025. The unaudited interim condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except unless otherwise stated.

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies and methods of computation used in the unaudited interim condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those followed in the preparation of the financial statements for the year ended 31 March 2025, except for those described below.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

### Application of amendments to the Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied, for the first time, the following amendments to the HKFRSs issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 April 2025.

|                       |                         |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

The application of the amendments to HKFRSs in the current interim period did not have any material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The following amendments to HKASs and HKFRSs have been issued, but are not yet effective and have not been early adopted by the Group.

|                                          |                                                                                        |
|------------------------------------------|----------------------------------------------------------------------------------------|
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>             |
| Amendments to HKFRS 9 and HKFRS 7        | Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup> |
| Amendments to HKFRS 9 and HKFRS 7        | Contracts Referencing Nature – dependent Electricity <sup>1</sup>                      |
| HKFRS 18                                 | Presentation and Disclosure in Financial Statements <sup>2</sup>                       |
| HKFRS 19                                 | Subsidiaries without Public Accountability: Disclosures <sup>2</sup>                   |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2006

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

The directors of the Company anticipate that the application of these amendments to HKFRSs will have no material impact on the Group’s financial performance and positions and/or the disclosures to these condensed consolidated financial statements of the Group.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. OPERATING SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on their products and services and has three reportable operating segments as follows:

- (1) Sales and distribution of NG including wholesale of LNG and PNG, point-to-point supply of LNG, automobile gas station, LNG pipeline network connection and provision of LNG logistic services in the PRC ("**NG business**");
- (2) The development and production of new energy technology products and integrated solutions ("**New energy business**"); and
- (3) Financial services and others segment – including finance lease services in the PRC, money lending and assets management services in Hong Kong ("**Financial Services**").

Management monitors the results of the Company's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Company's profit/(loss) before tax except that bank interest income, fair value change on financial assets at fair value through profit or loss, non-lease-related finance costs as well as head office and corporate income and expenses are excluded from such measurement.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 4. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 September 2025 and 2024 (unaudited)

|                                                          | New energy business |                  | NG business      |                  | Financial services |                  | Total            |                  |
|----------------------------------------------------------|---------------------|------------------|------------------|------------------|--------------------|------------------|------------------|------------------|
|                                                          | 2025<br>HK\$'000    | 2024<br>HK\$'000 | 2025<br>HK\$'000 | 2024<br>HK\$'000 | 2025<br>HK\$'000   | 2024<br>HK\$'000 | 2025<br>HK\$'000 | 2024<br>HK\$'000 |
| <b>Segment revenue</b>                                   |                     |                  |                  |                  |                    |                  |                  |                  |
| Revenue from external customers                          | 25,733              | 32,337           | 226,435          | 219,418          | 945                | 1,022            | 253,113          | 252,777          |
| <b>Segment results</b>                                   | (3,456)             | (2,012)          | (39,774)         | (30,018)         | (2,365)            | (6,855)          | (45,595)         | (38,885)         |
| <b>Reconciliation</b>                                    |                     |                  |                  |                  |                    |                  |                  |                  |
| Other income and other gains and losses                  |                     |                  |                  |                  |                    |                  | (12,749)         | 1,832            |
| Finance costs (other than interest on lease liabilities) |                     |                  |                  |                  |                    |                  | (14,665)         | (14,168)         |
| Share of results of joint ventures                       |                     |                  |                  |                  |                    |                  | 1,961            | 1,791            |
| Corporate and other unallocated expenses                 |                     |                  |                  |                  |                    |                  | (1,586)          | (6,138)          |
| Loss before tax                                          |                     |                  |                  |                  |                    |                  | (72,634)         | (55,568)         |

## 5. REVENUE

An analysis of revenue is as follows:

|                                               | For the six months ended<br>30 September |                                 |
|-----------------------------------------------|------------------------------------------|---------------------------------|
|                                               | 2025<br>(Unaudited)<br>HK\$'000          | 2024<br>(Unaudited)<br>HK\$'000 |
| Sales and distribution of NG                  | 208,922                                  | 194,554                         |
| Provision of LNG logistics services           | 17,513                                   | 24,864                          |
| Sales and distribution of new energy products | 7,755                                    | 22,939                          |
| Development of new energy integrated solution | 17,978                                   | 9,398                           |
| Interest income from loan financing           | 945                                      | 1,022                           |
|                                               | <b>253,113</b>                           | <b>252,777</b>                  |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 6. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

An analysis of other income and other gains and losses is as follows:

|                                                                           | <b>For the six months ended<br/>30 September</b> |                                          |
|---------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------|
|                                                                           | <b>2025<br/>(Unaudited)<br/>HK\$'000</b>         | <b>2024<br/>(Unaudited)<br/>HK\$'000</b> |
| Bank interest income                                                      | <b>30</b>                                        | 24                                       |
| (Loss)/gain on disposal of plant and equipment                            | <b>(12,813)</b>                                  | 347                                      |
| Gain on disposal of financial assets at fair value through profit or loss | <b>–</b>                                         | 4                                        |
| Impairment of loan receivables                                            | <b>(945)</b>                                     | –                                        |
| Exchange gain                                                             | <b>161</b>                                       | 802                                      |
| Others                                                                    | <b>818</b>                                       | 655                                      |
|                                                                           | <b>(12,749)</b>                                  | 1,832                                    |

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

|                                              | <b>For the six months ended<br/>30 September</b> |                                          |
|----------------------------------------------|--------------------------------------------------|------------------------------------------|
|                                              | <b>2025<br/>(Unaudited)<br/>HK\$'000</b>         | <b>2024<br/>(Unaudited)<br/>HK\$'000</b> |
| Interest on loans from a shareholder         | <b>8,054</b>                                     | 10,456                                   |
| Interest on interest-bearing bank borrowings | <b>5,419</b>                                     | 3,397                                    |
| Interest on loans from third parties         | <b>1,192</b>                                     | 315                                      |
| Interest on lease liabilities                | <b>333</b>                                       | 166                                      |
|                                              | <b>14,998</b>                                    | 14,334                                   |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 8. PROVISION OF PENALTY CHARGE ON LEGAL PROCEEDINGS

The Company received a “Civil Ruling” dated 21 October 2024 issued by the Tianjin High People’s Court of PRC regarding the outcome of the re-trial application submitted by the Group on 20 May 2024. Pursuant to the Civil Ruling, the court’s ruling on April 25, 2024 had been upheld, Great Trend Investment Management (Shanghai) Company Limited\*, an indirectly wholly-owned subsidiary of the Company, was liable to pay the creditor the outstanding balance of unpaid rental along with penalty charge and overdue interest which had been fully recognized for the year ended 31 March 2024, and prior years. Both the Company and its wholly-owned subsidiary, China LNG Limited, act as guarantors for the outstanding balance.

Additionally, the Group will continue to incur overdue interest from 1 April 2024, until the outstanding balance are settled. As at 30 September 2025, the overdue interest amounts to approximately HK\$5.8 million (six months ended 30 September 2024: HK\$7.4 million) was fully provided.

\* English company name translated for identification purpose only.

## 9. LOSS BEFORE TAX

The Company’s loss before tax is arrived at after charging:

|                                                  | For the six months ended<br>30 September |                                 |
|--------------------------------------------------|------------------------------------------|---------------------------------|
|                                                  | 2025<br>(Unaudited)<br>HK\$'000          | 2024<br>(Unaudited)<br>HK\$'000 |
| Cost of inventories sold                         | 203,968                                  | 176,184                         |
| Depreciation of right-of-use assets              | 3,846                                    | 2,585                           |
| Depreciation of property,<br>plant and equipment | 21,465                                   | 19,547                          |
| Amortisation of other intangible assets          | 527                                      | 531                             |
| Staff costs, including directors’ emoluments     | 30,643                                   | 36,278                          |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 10. INCOME TAX

The Company calculates the income tax expense for each interim period based on the best estimate of the applicable weighted average annual income rate expected for the full financial year. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

|                                  | <b>For the six months ended<br/>30 September</b> |                                          |
|----------------------------------|--------------------------------------------------|------------------------------------------|
|                                  | <b>2025<br/>(Unaudited)<br/>HK\$'000</b>         | <b>2024<br/>(Unaudited)<br/>HK\$'000</b> |
| Current tax–PRC                  |                                                  |                                          |
| – The PRC Enterprise Income Tax  | <b>143</b>                                       | 1,460                                    |
| Deferred taxation                | <b>1</b>                                         | (10)                                     |
|                                  | <hr/>                                            | <hr/>                                    |
| Total tax expense for the period | <b>144</b>                                       | 1,450                                    |
|                                  | <hr/> <hr/>                                      | <hr/> <hr/>                              |

## 11. DIVIDEND

The board of directors of the Company does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share attributable to ordinary equity holders of the Company is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 7,049,429,831 (six months ended 30 September 2024: 6,552,031,936) in issue during the period.

The diluted loss per share for the six months ended 30 September 2025 and 2024 is equal to the basic loss per share as there was no dilutive potential ordinary shares. The computation of diluted loss per share for the six months ended 30 September 2025 do not assume the exercise of outstanding share options of the Company since the assumed exercise would result in a decrease in loss per share.

The calculations of basic and diluted loss per share are based on:

|                                                                                                                                | <b>For the six months ended<br/>30 September</b> |                                 |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------|
|                                                                                                                                | <b>2025<br/>(Unaudited)<br/>HK\$'000</b>         | 2024<br>(Unaudited)<br>HK\$'000 |
| Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation          | <b><u>(70,809)</u></b>                           | <u>(52,895)</u>                 |
| Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation | <b><u>7,049,429,831</u></b>                      | <u>6,552,031,936</u>            |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 13. PROPERTY, PLANT AND EQUIPMENT

|                                     | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2025<br/>(Audited)<br/>HK\$'000</b> |
|-------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|
| At the beginning of the period/year | <b>447,524</b>                                            | 432,294                                             |
| Additions                           | <b>45,188</b>                                             | 80,545                                              |
| Transfer from prepayments           | <b>–</b>                                                  | 12,027                                              |
| Disposals                           | <b>(23,206)</b>                                           | (29,178)                                            |
| Depreciation                        | <b>(21,465)</b>                                           | (40,378)                                            |
| Exchange realignment                | <b>4,832</b>                                              | (7,786)                                             |
| At end of the period/year           | <b>452,873</b>                                            | 447,524                                             |

As at 30 September 2025, property, plant and equipment with the carrying amounts of approximately HK\$15,094,000 (31 March 2025: HK\$15,224,000) were pledged to banks to secure banking facilities granted to the Group.

## 14. RIGHT-OF-USE ASSETS

|                 | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2025<br/>(Audited)<br/>HK\$'000</b> |
|-----------------|-----------------------------------------------------------|-----------------------------------------------------|
| Land use rights | <b>123,490</b>                                            | 90,394                                              |
| Properties      | <b>15,786</b>                                             | 18,590                                              |
|                 | <b>139,276</b>                                            | 108,984                                             |

As at 30 September 2025, land use rights with the carrying amount of approximately HK\$66,546,000 (31 March 2025: HK\$66,756,000) were pledged to banks to secure banking facilities granted to the Group.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 15. FINANCE LEASE RECEIVABLES

|                                   | 30 September<br>2025<br>(Unaudited)<br>HK\$'000 | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-----------------------------------|-------------------------------------------------|-------------------------------------------|
| Gross receivables                 | 35,893                                          | 35,510                                    |
| Less: Allowance for credit losses | (28,043)                                        | (27,767)                                  |
|                                   | <u>7,850</u>                                    | <u>7,743</u>                              |

The finance lease contracts relates to (i) the lessees obtain the right of use the assets after entering into the contracts. The Group purchased equipment from third party manufacturers or distributors of its choice or of the lessees' choice and leased the assets to the lessees, ownership of the leased assets will be transferred to the lessees at a minimal purchase option upon the settlement of the receivables and interest accrued under the finance lease contracts; and (ii) the lessees sold their equipment to the Group and leased back the assets, ownership of leased assets will be transferred to the lessees at a minimal purchase option upon the settlement of the receivables and interest accrued under the finance lease arrangements. The lessees obtain the right of use the assets after entering into the arrangements. These finance lease arrangements do not constitute leases for accounting purposes.

The finance lease receivables are secured by the leased assets, certain finance lease receivables have been guaranteed by the ultimate beneficial owner of the lessee.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 16. LOAN AND REIMBURSEMENT RECEIVABLES

|                                   | 30 September<br>2025<br>(Unaudited)<br>HK\$'000 | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-----------------------------------|-------------------------------------------------|-------------------------------------------|
| Loan receivables                  | 137,898                                         | 136,953                                   |
| Less: Allowance for credit losses | (137,898)                                       | (136,953)                                 |
|                                   | <hr/>                                           | <hr/>                                     |
|                                   | –                                               | –                                         |
| Reimbursement receivables         | 112,787                                         | 112,787                                   |
|                                   | <hr/>                                           | <hr/>                                     |
|                                   | 112,787                                         | 112,787                                   |
|                                   | <hr/> <hr/>                                     | <hr/> <hr/>                               |

Loan receivables relate to 2 (31 March 2025: 2) customers in money lending business. The Group seeks to maintain strict control over its outstanding loan receivables so as to minimise credit risk. Loan receivables are charged at the interest rates at fixed rates of 1% to 4.6% (31 March 2025: 1% to 4.6%) per annum. The loan receivables are secured.

The Group holds collateral or other credit enhancement over its loan and reimbursement receivables balance of HK\$137,898,000 (31 March 2025: HK\$136,953,000).

Included in the loan receivables are loans of HK\$112,787,000 (31 March 2025: HK\$112,787,000) to a former non-controlling shareholder of Key Fit Group Limited, a 60.42%-owned subsidiary of the Company, the loans are collateralised with shares of Key Fit Group Limited and the Company. Dr. Kan provided personal undertaking to purchase the aforementioned loans, should the loans are not recovered in full by the Group and accordingly the Group recognises reimbursement receivable of HK\$112,787,000 (31 March 2025: HK\$112,787,000) as it is virtually certain that Dr. Kan will reimburse the Group for the loss that the Group might incur if the borrower fails to pay when due.

Lifetime probability of default rate of 100% (31 March 2025: 100%) and loss given default rate of 0% (31 March 2025: 0%) are applied in the calculation of impairment on the reimbursement receivables.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17. ACCOUNTS AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

|                                                  |     | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|--------------------------------------------------|-----|-----------------------------------------------------------|-------------------------------------------|
| Accounts receivables on dealing<br>in securities | (a) |                                                           |                                           |
| Cash clients                                     |     | <b>317</b>                                                | 317                                       |
| Less: Allowance for credit losses                |     | <b>(317)</b>                                              | (317)                                     |
| Margin clients                                   |     | <b>2,817</b>                                              | 2,817                                     |
| Less: Allowance for credit losses                |     | <b>(2,817)</b>                                            | (2,817)                                   |
|                                                  |     | <b>—</b>                                                  | —                                         |
| Accounts receivables on NG business              | (b) | <b>91,908</b>                                             | 103,302                                   |
| Less: Allowance for credit losses                |     | <b>(28,032)</b>                                           | (28,032)                                  |
|                                                  |     | <b>63,876</b>                                             | 75,270                                    |
| Accounts receivables on new energy<br>business   | (b) | <b>126,626</b>                                            | 106,830                                   |
| Less: Allowance for credit losses                |     | <b>(14,403)</b>                                           | (14,793)                                  |
|                                                  |     | <b>112,223</b>                                            | 92,037                                    |
| Deposits and other receivables                   |     | <b>44,200</b>                                             | 64,203                                    |
| Less: Allowance for credit losses                |     | <b>(9,038)</b>                                            | (9,038)                                   |
|                                                  |     | <b>35,162</b>                                             | 55,165                                    |
| Loan to a third party                            | (c) | <b>1,927</b>                                              | 1,906                                     |
| Prepayments                                      |     | <b>93,174</b>                                             | 85,584                                    |
| Value-added tax recoverable                      |     | <b>28,538</b>                                             | 22,366                                    |
|                                                  |     | <b>334,900</b>                                            | 332,328                                   |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17. ACCOUNTS AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (continued)

Notes:

- (a) The settlement terms of the accounts receivables from cash clients arising from the business of dealing in securities are two days after trade date.
- (b) The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance may be required. The credit period is generally one month, extending up to three months or more for certain customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

An ageing analysis of the accounts receivable on NG business and new energy business as at the end of the reporting period, based on the invoice date and net of allowance for credit losses, is as follows:

### NG business

|                 | 30 September<br>2025<br>(Unaudited)<br>HK\$'000 | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-----------------|-------------------------------------------------|-------------------------------------------|
| Within 3 months | 58,943                                          | 51,602                                    |
| 4 to 6 months   | 2,017                                           | 3,167                                     |
| Over 6 months   | 2,916                                           | 20,501                                    |
|                 | <b>63,876</b>                                   | <b>75,270</b>                             |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 17. ACCOUNTS AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (continued)

Notes: (continued)

(b) (continued)

### New Energy business

|                 | 30 September<br>2025<br>(Unaudited)<br>HK\$'000 | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-----------------|-------------------------------------------------|-------------------------------------------|
| Within 3 months | 53,652                                          | 58,183                                    |
| 4 to 6 months   | 21,735                                          | 19,935                                    |
| Over 6 months   | 36,836                                          | 13,919                                    |
|                 | <b>112,223</b>                                  | <b>92,037</b>                             |

- (c) The loans were unsecured, interest-bearing at 8% (31 March 2025: 8%) per annum and repayable on demand.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 18. ACCOUNTS PAYABLES

|                                                                   | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------|
| Accounts payable arising from NG business and New Energy business | <b>158,968</b>                                            | 158,449                                   |

An ageing analysis of the accounts payable as at the end of the reporting period, based on the invoice date, is as follows:

|                 | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-----------------|-----------------------------------------------------------|-------------------------------------------|
| Within 3 months | <b>18,273</b>                                             | 31,106                                    |
| 4 to 6 months   | <b>7,737</b>                                              | 37,403                                    |
| Over 6 months   | <b>132,958</b>                                            | 89,940                                    |
|                 | <b>158,968</b>                                            | 158,449                                   |

The accounts payable are non-interest-bearing and are normally settled on 30 to 90 days terms.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 19. OTHER PAYABLES AND ACCRUALS

|                                                                   | 30 September<br>2025<br>(Unaudited)<br>HK\$'000 | 31 March<br>2025<br>(Audited)<br>HK\$'000 |
|-------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|
| Accruals and other payables                                       | 241,411                                         | 241,004                                   |
| Contract liabilities                                              | 46,212                                          | 20,508                                    |
| Loans from a shareholder                                          | 376,961                                         | 432,722                                   |
| Interest payable on loans from a shareholder                      | 30,828                                          | 22,540                                    |
| Loans from third parties                                          | 26,016                                          | 40,505                                    |
| Amount due to a joint venture                                     | 17,344                                          | 20,092                                    |
| Payable for the right to acquire property,<br>plant and equipment | 283,091                                         | 283,091                                   |
|                                                                   | <b>1,021,863</b>                                | 1,060,462                                 |
| Non-current portion of loans from<br>a shareholder                | (376,961)                                       | (432,722)                                 |
| Current portion                                                   | <b>644,902</b>                                  | 627,740                                   |

The loans from a shareholder bearing an interest of 5% per annum (31 March 2025: 5%), unsecured and repayable on demand, the shareholder Dr. Kan agreed not to demand repayment of the loans until 30 June 2026.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 20. INTEREST BEARING BANK BORROWINGS

|                                                                                          | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2025<br/>(Audited)<br/>HK\$'000</b> |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|
| Within one year                                                                          | <b>170,357</b>                                            | 139,226                                             |
| In the second to fifth year inclusive                                                    | <b>65,052</b>                                             | 71,752                                              |
| After five years                                                                         | <b>3,713</b>                                              | 3,728                                               |
|                                                                                          | <b>239,122</b>                                            | 214,706                                             |
| Less: Amount due for settlement within<br>12 months (shown under<br>current liabilities) | <b>(170,357)</b>                                          | (139,226)                                           |
| Amount due for settlement after 12 months                                                | <b>68,765</b>                                             | 75,480                                              |

## 21. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Company's lease liabilities at the end of the reporting period:

|                                         | <b>Minimum lease payments</b>                             |                                                     | <b>Present value of<br/>minimum lease payments</b>        |                                                     |
|-----------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|
|                                         | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2025<br/>(Audited)<br/>HK\$'000</b> | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2025<br/>(Audited)<br/>HK\$'000</b> |
| Within one year                         | <b>5,431</b>                                              | 5,823                                               | <b>4,925</b>                                              | 5,216                                               |
| More than one year                      | <b>11,654</b>                                             | 13,770                                              | <b>10,870</b>                                             | 12,770                                              |
| Total minimum finance<br>lease payments | <b>17,085</b>                                             | 19,593                                              | <b>15,795</b>                                             | 17,986                                              |
| Future finance charges                  | <b>(1,290)</b>                                            | (1,607)                                             |                                                           |                                                     |
| Present value of lease<br>obligations   | <b>15,795</b>                                             | 17,986                                              |                                                           |                                                     |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 22. ISSUED CAPITAL

Ordinary shares of HK\$0.02 each

|                                                                   | Number<br>of shares   | Amount<br>HK\$'000 |
|-------------------------------------------------------------------|-----------------------|--------------------|
| <b>Authorised:</b>                                                |                       |                    |
| At 31 March 2025 and 30 September 2025                            | <u>20,000,000,000</u> | <u>400,000</u>     |
| <b>Issued and fully paid:</b>                                     |                       |                    |
| At 31 March 2025                                                  | 6,674,029,649         | 133,481            |
| Issue of capitalisation shares under specific<br>mandate (Note i) | 717,948,718           | 14,359             |
| Issue of subscription shares under general<br>mandate (Note ii)   | <u>43,700,000</u>     | <u>874</u>         |
| At 30 September 2025                                              | <u>7,435,678,367</u>  | <u>148,714</u>     |

*Note:*

- (i) On 17 April 2025, the Company and Dr. Kan entered into a Loan Capitalisation Agreement, pursuant to which, Dr. Kan has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 717,948,718 Capitalisation Shares at the Capitalisation Price of HK\$0.195 per Capitalisation Share for a total consideration of HK\$140 million, which shall be satisfied by way of offsetting approximately HK\$140 million of the outstanding principal amount of the shareholder loans payable to Dr. Kan. Completion of the transaction took place on 2 July 2025.

The difference between capitalisation price and ordinary share price was recognised in share premium with total amount HK\$125,641,000.

- (ii) On 16 July 2025, the Company allotted 43,700,000 ordinary shares at a subscription price of HK\$0.25 per share to a subscriber.

## 23. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 30 August 2019 so as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 23. SHARE OPTION SCHEME *(continued)*

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any full-time employees, directors, consultants or advisors of the Group, or any substantial shareholders of the Group, or any distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors from time to time on the basis of the directors' opinion as to their contribution or potential contribution to the development and growth of the Group.

Under the Scheme, the maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme in any 12-month period up to and including the date of grant must not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 23. SHARE OPTION SCHEME *(continued)*

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who or whose associate is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates would result in the total number of shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK\$5 million, such grant must be approved by the Company's shareholders in general meeting.

The offer of a grant of share options might be accepted in writing within 21 days inclusive of the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 21 days from the date of the offer).

The subscription price shall be a price solely determined by the directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the date of grant of the option.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 23. SHARE OPTION SCHEME (continued)

The Scheme shall be valid and effective for a period of ten years commencing on the date of share options grant and expiring on the business day immediately preceding the 10th anniversary thereof, subject to early termination provisions contained in the Scheme.

The maximum number of shares of the Company which may be issued upon exercise of all options that may be granted under the existing Scheme limit is 564,379,709 shares (representing approximately 10% of the issued share capital of the Company as at the date of approval of the Scheme). There is no performance target which must be achieved before any of the options can be exercised.

A summary of the movements in share options under the Share Option Scheme during the six months period ended 30 September 2025 is as follows:

|                                       | Weighted<br>Average<br>exercise price<br>HK\$ per share | Number of<br>options<br>30 September<br>2025<br>(Unaudited) | Weighted<br>Average<br>exercise price<br>HK\$ per share | Number of<br>options<br>31 March<br>2025<br>(Audited) |
|---------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| At beginning of period/year           | 0.501                                                   | 171,540,000                                                 | 0.501                                                   | 180,040,000                                           |
| Lapsed during the period/year         | —                                                       | —                                                           | 0.500                                                   | (8,500,000)                                           |
| Outstanding at the end of period/year | 0.501                                                   | 171,540,000                                                 | 0.501                                                   | 171,540,000                                           |

The share options are vested as: (a) first 30% on the second-year anniversary from the date of grant; (b) next 30% on the third-year anniversary from the date of grant; and (c) remaining 40% on the fourth-year anniversary from the date of grant.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 23. SHARE OPTION SCHEME *(continued)*

The exercise prices and exercise periods within which the option may be exercised by the grantee under the Scheme as at 30 September 2025 and 31 March 2025 are as follows:

| Vesting and exercise period            | Exercise price<br>HK\$ | Number of options                   |                               |
|----------------------------------------|------------------------|-------------------------------------|-------------------------------|
|                                        |                        | 30 September<br>2025<br>(Unaudited) | 31 March<br>2025<br>(Audited) |
| 31 December 2021 to 31 December 2029   | 0.53                   | 1,692,000                           | 1,692,000                     |
| 31 December 2022 to 31 December 2029   | 0.53                   | 1,692,000                           | 1,692,000                     |
| 31 December 2023 to 31 December 2029   | 0.53                   | 2,256,000                           | 2,256,000                     |
| 31 March 2023 to 31 March 2031         | 0.50                   | 90,000                              | 90,000                        |
| 31 March 2024 to 31 March 2031         | 0.50                   | 90,000                              | 90,000                        |
| 31 March 2025 to 31 March 2031         | 0.50                   | 120,000                             | 120,000                       |
| 16 July 2023 to 16 July 2031           | 0.50                   | 30,000,000                          | 30,000,000                    |
| 16 July 2024 to 16 July 2031           | 0.50                   | 30,000,000                          | 30,000,000                    |
| 16 July 2025 to 16 July 2031           | 0.50                   | 40,000,000                          | 40,000,000                    |
| 30 September 2023 to 30 September 2031 | 0.50                   | 360,000                             | 360,000                       |
| 30 September 2024 to 30 September 2031 | 0.50                   | 360,000                             | 360,000                       |
| 30 September 2025 to 30 September 2031 | 0.50                   | 480,000                             | 480,000                       |
| 21 August 2025 to 21 August 2033       | 0.50                   | 19,320,000                          | 19,320,000                    |
| 21 August 2026 to 21 August 2033       | 0.50                   | 19,320,000                          | 19,320,000                    |
| 21 August 2027 to 21 August 2033       | 0.50                   | 25,760,000                          | 25,760,000                    |
|                                        |                        | <b>171,540,000</b>                  | <b>171,540,000</b>            |

The Group recognised an equity-settled share option expense of HK\$2,196,000 (30 September 2024: HK\$3,620,000) during the period ended 30 September 2025.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 24. RELATED PARTY TRANSACTIONS

Saved as disclosed in the financial statements, the Group had the following material transactions with related parties during the current and prior periods.

|                                              | For the six months ended<br>30 September |                                 |
|----------------------------------------------|------------------------------------------|---------------------------------|
|                                              | 2025<br>(Unaudited)<br>HK\$'000          | 2024<br>(Unaudited)<br>HK\$'000 |
| Interest expense on loans from a shareholder | <b>8,054</b>                             | 10,456                          |

The interest expenses on loans from a shareholder is due to the substantial shareholder of the Company, Dr. Kan who is an executive director and the Chairman of the Company. As such, Dr. Kan is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Thus, the transactions constitute connected transactions for the Company under the Listing Rules.

- (a) The Company entered into loan facility agreements with Dr. Kan in relation to the provision of standby facilities of HK\$800,000,000 (31 March 2025: HK\$800,000,000) to the Company by Dr. Kan. At 30 September 2025, this facility had been utilised to the extent of HK\$407,789,000 (31 March 2025: HK\$455,262,000).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 24. RELATED PARTY TRANSACTIONS *(continued)*

### (b) Compensation of key management personnel of the Group

Details of the compensation of the key management personnel of the Group are as follows:

|                                         | <b>For the six months ended<br/>30 September</b> |                                          |
|-----------------------------------------|--------------------------------------------------|------------------------------------------|
|                                         | <b>2025<br/>(Unaudited)<br/>HK\$'000</b>         | <b>2024<br/>(Unaudited)<br/>HK\$'000</b> |
| Salaries, allowances and other benefits | <b>2,169</b>                                     | 2,005                                    |
| Equity-settled share option expenses    | <b>–</b>                                         | 2,036                                    |
|                                         | <b>2,169</b>                                     | <b>4,041</b>                             |

## 25. COMMITMENTS

At the end of reporting period, the Group had outstanding capital commitments as follows:

|                                                               | <b>30 September<br/>2025<br/>(Unaudited)<br/>HK\$'000</b> | <b>31 March<br/>2025<br/>(Audited)<br/>HK\$'000</b> |
|---------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|
| Contracted but not provided for property, plant and equipment | <b>195,240</b>                                            | <b>133,069</b>                                      |

## 26. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 28 November 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDUSTRY OVERVIEW

During the period ended 30 September 2025, global economic growth momentum showed signs of slowing amid trade tensions and policy uncertainties, with increased uncertainty in the outlook. Growth drivers of major economies diverged, and trade frictions negatively impacted global supply chains and investment. In the October 2025 World Economic Outlook report, the International Monetary Fund (IMF) revised down its global economic growth forecast for 2025 to 3.2%, compared to 3.3% at the beginning of the year. In the first half of 2025, despite a rapidly changing international landscape and increasing external pressures, China's economy maintained a stable and improving development trend, with gross domestic product (GDP) growing by 5.3% year-on-year. According to the National Natural Gas Operation Bulletin released by the National Development and Reform Commission (NDRC), China's apparent natural gas consumption from January to June 2025 was approximately 212 billion cubic meters, down 0.9% year-on-year. In this final year of the 14th Five-Year Plan, the Chinese government continued to firmly advance the "high-quality development" and "dual-carbon" strategies, steadily improving the legal and policy framework in the energy sector to provide strong institutional support for the transition to clean energy and green, low-carbon development.

On 1 January 2025, the Energy Law of the People's Republic of China came into effect, aiming to promote high-quality development in the energy sector, safeguard national energy security, and foster green, low-carbon transformation and sustainable socioeconomic development, while actively and steadily advancing the carbon peaking and carbon neutrality goals. On 1 August 2025, the NDRC and the National Energy Administration (NEA) issued and implemented the Guiding Opinions on Improving the Pricing Mechanism for Provincial Natural Gas Pipeline Transportation to Promote High-Quality Development in the Industry (NDRC Price [2025] No. 1014). The core of this policy is to advance the construction of a "unified national pipeline network," reduce layered price markups in pipeline transportation, and lower gas procurement costs for city gas enterprises. The resulting increase in end-consumer demand has created more development opportunities for piped natural gas (PNG) trade.

On 28 February 2025, the NDRC released the Measures for the Planning, Construction, and Operation Management of Oil and Gas Infrastructure (Draft for Comments), aiming to strengthen regulation of natural monopoly segments such as oil and gas pipeline networks. The draft explicitly requires the separation of trunk pipeline operations from competitive businesses and encourages city gas enterprises to connect directly to national and provincial trunk pipelines. Once implemented, this policy is expected to reduce end-user gas supply costs and create more opportunities for gas supply companies to develop residential, commercial, and industrial customers.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Government Work Report in March 2025 proposed the “establishment of zero-carbon parks and zero-carbon factories,” providing strong policy support for the Company’s efforts to develop zero-carbon park businesses centered on biomass energy and distributed natural gas-based smart energy systems. On 29 October 2025, the NDRC and NEA issued the Guiding Opinions on Promoting New Energy Integration and Regulation (NDRC Energy [2025] No. 1360), proposing the establishment of a multi-level system for new energy integration. The document explicitly supports new business models such as “integrated generation-grid-load-storage systems” and “smart microgrids” for localized consumption, repeatedly emphasizing the advancement of zero-carbon park construction. It encourages “green production through green energy” via integrated new energy development and promotes multi-energy coordination in industrial parks and buildings.

Guided by the national “dual-carbon” goals, the 14th Five-Year Plan, and a series of supporting policies, the Company has continued to develop its new energy business. Focusing on green steam supply for industrial parks, smart heating in northern communities, integrated cooling, heating, and power services for buildings, photovoltaic power generation, and energy storage, the Company is actively deploying integrated energy systems centered on zero- and low-carbon energy sources like biomass and natural gas, providing green and low-carbon services to the government and its customers.

The Company closely aligns with national policy directions and continues to advance its dual-drive strategy of natural gas and new energy. In the natural gas segment, leveraging its city gas supply network to serve residential, commercial, industrial, and fueling station customers, the Company actively seizes opportunities arising from policy optimizations. It conducts flexible trade through LNG truck transportation and pipelines of the National Pipeline Network, enhancing its resource allocation and market responsiveness. In the new energy segment, centered on AI-powered smart energy supply technologies, the Company actively responds to the Guiding Opinions on Promoting New Energy Integration and Regulation. It continues to promote smart heating projects in northern regions, supplies zero- and low-carbon steam fueled by biomass energy to various industrial parks, and continues to explore participation in “integrated generation-grid-load-storage” projects. It also promotes efficient, low-carbon, intelligent, and integrated energy-saving supply systems in urban buildings, achieving coordinated supply of cooling, heating, electricity, and other energy forms.

## MANAGEMENT DISCUSSION AND ANALYSIS

Looking ahead, in the face of a complex and changing external environment, the Company will adhere to the development philosophy of “seeking progress while maintaining stability, empowered by technology.” It will actively respond to national policies such as the Energy Law, the Natural Gas Utilization Management Measures, and the Guiding Opinions on Promoting New Energy Integration and Regulation, continuously optimize its energy structure, enhance operational efficiency, and strengthen the integration of digitalization and green transformation.

The Company will continue to deepen its two core businesses—natural gas and new energy business—leveraging AI intelligent systems, biomass energy projects, and zero-carbon park development to continuously improve energy conservation and carbon reduction performance. It is committed to providing customers with cleaner, more efficient, and reliable energy solutions, contributing to the achievement of the national “dual-carbon” goals.

### BUSINESS REVIEW

For the six-month period ended 30 September 2025 (the “**Reporting Period**”), guided by the Chinese government’s “14th Five-Year Plan” and dual-carbon goals, the Company continued to advance its dual-drive strategy focusing on natural gas and new energy. The Company particularly increased resource allocation in core segments of the new energy industry, including smart heating, integrated energy efficiency management, energy-saving and emission-reduction equipment manufacturing, and comprehensive energy service management for industrial parks. Leveraging digital intelligence technologies such as the IDH Smart Distributed Heating Platform and ICE Smart Integrated Energy Solutions, the Company implemented digital energy intelligent operation management services, actively promoted green and low-carbon initiatives, enhanced energy conservation and carbon reduction effectiveness, and contributed to the national dual-carbon objectives.

During the Reporting Period, the Company remained focused on the operational targets set at the beginning of the year. It continued to expand the natural gas market while steadily promoting the implementation of new energy projects. The heating coverage area of the Xi’an project in Shaanxi Province gradually increased, the Dongguan project in Guangdong Province commenced trial operations, and the construction of projects in Zhanjiang (Guangdong) and Yixing (Jiangsu) progressed as planned. Additionally, the Company actively explored and developed projects in locations such as Renhuai (Guizhou), Xiangyang (Hubei), and Nanyang (Henan). The Group’s operational model underwent continuous optimization and adjustment, further enhancing the overall competitiveness of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, our company primarily operates through three business segments: sales and distribution of NG, new energy business, and financial services. The operations of each business division are as follows:

### SALES AND DISTRIBUTION OF NG

#### Point-to-point Supply of LNG (retail)

The point-to-point supply of LNG (retail) transmits LNG from energy centers to end-users including residential users, industrial and commercial enterprises and automobile drivers by way of gas stations, pipeline networks and dewar bottles to meet their regular energy needs.

In the Reporting Period, the Company recorded a LNG retail volume of 8,244 tons (2024: 11,426 tons), the income generated from point-to-point supply of LNG (retail) business amounted approximately HK\$52,452,000 (2024: HK\$77,447,000), contribute 20.7% to the total revenue of the Company for the Reporting Period.

#### Wholesale of LNG and PNG (trade)

In the Reporting Period, the company continues to engage in LNG and PNG trade. Leveraging its resource advantages, the company has achieved a substantial increase in PNG trade volume. As of 30 September 2025, the Company recorded an NG trade volume of 43,847 tons (2024: 28,632 tons), with wholesale LNG and PNG (trade) revenue of approximately HK\$156,470,000 (2024: HK\$117,107,000), contributing 61.8% to our total revenue for the Reporting Period. Within the Reporting Period's LNG and PNG trading business, LNG trading recorded a sales volume of 2,182 tons (2024: 2,820 tons), accounting for 5.0% of the total NG trading volume. LNG trading revenue was approximately HK\$10,014,000 (2024: HK\$16,455,000), representing 6.4% of the total NG trading revenue. PNG trading recorded a sales volume of 41,665 tons (2024: 25,812 tons), accounting for 95% of the total NG trading volume. PNG trading revenue was approximately HK\$146,456,000 (2024: HK\$100,652,000), representing 93.6% of the total NG trading revenue.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Distribution of LNG (logistics)

Equipped with a great number of natural gas transportation trucks and LNG mobile storage containers that are specially made for the distribution of LNG, the delivery fleets of the Company provide road freight transportation services for external clients and for the Group companies. The distribution delivery fleets enable the Company to distribute LNG from upstream suppliers to external customers and energy centers in a safe and fast way at low costs.

As of 30 September 2025, the delivery fleets transmitted a total of 29,343,794 ton-kilometers (2024: 25,304,136 ton-kilometers) among which 80.4% were delivered for external customers, the income generated from distribution of LNG (logistics) business amounted approximately HK\$17,513,000 (2024: HK\$24,864,000), contribute 6.9% to the total revenue of the Company for the Reporting Period.

## LNG Pipeline Network

The Company undertakes LNG pipeline engineering projects, constructing pressure pipelines, gate stations, and pressure regulating stations to connect the retail and end-user markets. Through comprehensive gas transmission facilities, we aim to expand our downstream user base.

In the Reporting Period, the Company held 34 effective LNG township franchise rights granted by the PRC local governments in Hubei, Jiangxi and Anhui provinces, the franchise rights allow the Company to be the sole operator in the franchised zone in the supply of LNG. The Company has received 10,476 (2024: 10,917) applications from household users for LNG pipeline connection in Yangzhai, Changling, Chenxiang, Yudian, Caihe and Haodian in Guangshui City of Hubei province, managed possess to connect 2,609 (2024: 6,579) household users. Income generated from the supply of LNG to residential users has been included in the point-to-point supply of LNG (retail) income for the Reporting Period.

## Infrastructure Projects

In the Reporting Period, the Company adhered to the philosophy of focusing primarily on centralized energy development, supplemented by distributed management. The Company strategically invested in key locations such as Hubei Huanggang, Hubei Guangshui, Anhui Lu'an, and Jiangxi Jingdezhen, actively promoting resources around large-scale LNG bases integrated with energy storage and energy management.

## MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 September 2025, the Company owned two automotive gas refueling stations, which operate in collaboration with a wholly-owned subsidiary of China National Offshore Oil Corporation ("**CNOOC**"). By leveraging the unique advantages of CNOOC's procurement platform, the Company's automotive gas refueling stations effectively reduced LNG procurement costs, thereby promoting sales growth through more competitive pricing. CNOOC, as the sole LNG supplier responsible for the daily operations of the refueling stations, shares the operational performance based on the agreed terms and conditions.

### NEW ENERGY BUSINESS

In the Reporting Period, the Company continued to actively engage in the field of smart heating, comprehensive energy efficiency management, and energy-saving and emission-reduction equipment manufacturing. The Company utilized cutting-edge technologies such as cloud data, the Internet of Things, and AI intelligence. By using unique big data AI algorithm models, efficient energy Building Information Modeling ("**BIM**") architecture, and the Intelligent Distributed Heating ("**IDH**") platform, the Company created an intelligent energy management system. Leveraging these core digital intelligence platforms, the Company provided comprehensive energy management solutions equipped with AI intelligence technology in fields like smart heating management and comprehensive energy efficiency management. These solutions significantly reduced energy consumption and operational costs for customers' energy projects, creating a win-win situation for both the government and users.

In the Reporting Period, the Company's new energy business recorded revenue of approximately HK\$25,733,000 (2024: HK\$32,337,000), accounting for 10.2% of the Company's total revenue for the period.

### Development of New Energy Integrated Solution

As of 30 September 2025, the development and application of comprehensive new energy solutions recorded revenue of approximately HK\$17,978,000 (HK\$9,398,000). In the field of comprehensive new energy solutions, the smart heating business expanded its service area by approximately 1,680,000 square meters, recording revenue of approximately HK\$9,722,000 (2024: HK\$7,521,000). The comprehensive energy efficiency management business recorded revenue of approximately HK\$8,256,000 (2024: HK\$1,877,000).

# MANAGEMENT DISCUSSION AND ANALYSIS

## Sales and Distribution of New Energy Products

As at 30 September 2025, the sales and distribution of new energy products recorded revenue of approximately HK\$7,755,000 (2024: HK\$22,939,000).

## Financial Services Business

The financial services businesses of the Company included: (i) the provision of finance leasing services typically for LNG vehicles and equipment that has been approved by the Chinese Ministry of Foreign Trade and Economic Cooperation; (ii) the provision of discretionary investment management and fund management services in Hong Kong through an indirect subsidiary of the Company namely China Hong Kong Capital Asset Management Company Limited ("**CHK CAM**"), which is licensed by the SFC to conduct Type 9 (asset management) regulated activities; and (iii) money lending business through an indirect subsidiary holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws) of Hong Kong. Given the unpromising economic outlook, the Company's management has adopted a cautious attitude towards increasing investment in the financial services business.

## PROSPECTS AND OUTLOOK

Against the backdrop of profound shifts in the global economic landscape and an accelerating energy transition, China's clear "dual-carbon" strategy has laid a stable growth trajectory for the clean energy sector. Analysis by the International Energy Agency (IEA) indicates that although the growth rate of global natural gas demand is expected to slow in 2025, demand will continue to grow at an average annual rate of approximately 1.5% towards 2030 in the medium to long term, with the Asia-Pacific region being a primary source of future demand growth. China's overarching policies, such as the "Energy Law," the "2025 Energy Work Guidance Opinions," and the "Guiding Opinions on Promoting New Energy Integration and Regulation," outline a clear green future for the domestic clean energy industry. The new energy sector, represented by biomass energy, smart heating, and integrated energy services, is entering a significant growth phase.

## MANAGEMENT DISCUSSION AND ANALYSIS

In response to this trend, our Company has implemented a dual-drive strategy focusing on both natural gas and new energy businesses, striving to solidify our development foundation. In the natural gas sector, we continue to expand the end-user market while employing flexible trading strategies for both LNG and PNG to capture market share and enhance profitability. In the new energy sector, we are committed to advancing digitalization, green and low-carbon initiatives, and multi-energy coordination. These efforts have established a solid foundation for our smart heating services in northern communities, green steam supply for industrial parks, and integrated energy efficiency services for buildings.

Looking ahead, our Company will steadfastly promote the synergistic development of our natural gas and new energy businesses, further transitioning towards becoming a comprehensive, smart clean energy service provider. By deeply integrating AI and intelligent technologies into the operation and maintenance of clean energy systems, and vigorously developing zero-carbon energy solutions centered on biomass energy, we will provide a wider range of customers with comprehensive energy-saving and carbon reduction services. We will continue to actively seize opportunities presented by the national dual-carbon strategy, exploring innovative business models such as zero-carbon and low-carbon solutions and carbon asset management. In the grand journey to safeguard national energy security and achieve the “dual-carbon” goals, we are committed to building a strong foundation for the Group’s high-quality, sustainable development and enhancing its market competitiveness.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

For the Reporting Period, the Company recorded the revenue from operations in an amount of approximately HK\$253.1 million, compared to that of approximately HK\$252.8 million for the six months ended 30 September 2024 (the “**Previous Period**”), representing an increase of 0.1%. This change was primarily driven by an increase in revenue from the NG business of HK\$7.0 million, or 3.2%, which was partially offset by a decrease in revenue from the new energy business of HK\$6.6 million, or 20.4%. Revenue from NG Business accounted for 89.5% of total revenue in the Reporting Period, increased by 2.7% from 86.8% in the Previous Period. The new energy business accounted for 10.2% of total revenue, decreased by 2.6% from 12.8% in the Previous Period. Income from the point-to-point supply of LNG (retail) business was approximately HK\$52.5 million for the Reporting Period, compared to that of approximately HK\$77.4 million for the Previous Period, representing a decrease of 32.3%, the decrease was mainly attributable to the competition in the end-user gas refueling stations intensified. Income generated from the wholesale of LNG and PNG (trade) business was approximately HK\$156.5 million for the Reporting Period, compared to that of approximately HK\$117.1 million for the Previous Period, representing an increase of 33.6%. The increase in trade income was mainly due to rebound in domestic NG consumption and the expansion of distribution channels. Income generated from the distribution of LNG (logistics) business was approximately HK\$17.5 million for the Reporting Period, compared to that of approximately HK\$24.9 million for the Previous Period, representing a decrease of 29.6%. The decrease in logistics income was mainly due to the market competition and decreased in demand from our customers. Income generated from the sales and distribution of new energy products was approximately HK\$7.8 million for the Reporting Period, compared to that of approximately HK\$22.9 million for the Previous Period, representing a decrease of 66.2%. The decrease was mainly due to a reduction of volume of contracts compared to the Previous Period. Income generated from the development of new energy integrated solution was approximately HK\$18.0 million, compared to that of approximately HK\$9.4 million for the Previous Period, representing an increase of 91.3%. The increase was mainly due to the growth in the number of customers and expanded energy supply coverage area. Income from the financial services business was HK\$945,000 for the Reporting Period, representing a slightly decrease compared to that of HK\$1,022,000 for the Previous Period. Financial services income primarily relates to interest income from money lending business.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Gross Profit and Gross Profit Margin

The overall gross profit of the Company for the Reporting Period was approximately HK\$15.5 million compared to gross profit of approximately HK\$40.8 million for the Previous Period. The decrease of gross profit was mainly due to (i) a decrease in sales volume of point-to-point supply of LNG, impacted by fierce market competition and reduced gas consumption from industrial users with scaled-back production capacity; (ii) The number of applications from household users for LNG decrease; (iii) Pipeline natural gas trading gross profit registered a year-on-year decrease attributable to market volatility; (iv) the contracted volume of new energy products experienced a decline compared with the Previous Period; and (v) revenue from business segment with higher gross profit margin decreased while revenue from business segment with lower gross profit margin increased. Taking into account the above sectors, the gross profit margin was decreased from 16.1% for the Previous Period to 6.1% in the Reporting Period, representing a reduction of 10.0%.

## Other Income and Other Gains and Losses, Net

Other income and other gains and losses of the Company mainly comprised loss on disposal of plant and equipment, impairment of loan receivables, exchange gain or loss and interest income from bank. Other income and other gains and losses amounted to the net losses approximately HK\$12.7 million for the Reporting Period, as compared to the net gains of approximately HK\$1.8 million for the Previous Period, the turnaround result was mainly due to the loss on disposal of plant and equipment amounting approximately HK\$12.8 million for the Reporting Period.

## Selling and Distribution Expenses

Selling and distribution expenses of the Company mainly comprised staff costs and marketing expenses incurred by sales department. The selling and distribution expenses amounted approximately HK\$6.8 million for the Reporting Period, representing a decrease of 45.5% as compared to approximately HK\$12.5 million for the Previous Period. The decrease was mainly attributable to the streamlining of the staff structure, which resulted in lower staff costs.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Administrative Expenses

Administrative expenses of the Company mainly comprised employee and office expenses, legal and professional fees, amortisation on intangible assets, depreciation on right-of-use assets and on property, plant and equipment. Administrative expenses amounted approximately HK\$50.0 million for the Reporting Period, representing a decrease of 25.6% as compared with approximately HK\$67.1 million for the Previous Period. The decrease was primarily attributable to the cost-reduction and efficiency improvement measures.

## Impairment Assessment, Net

Management of the Company conducted an impairment review on the fixed assets and receivables for the Reporting Period. The review of fixed assets impairment has taken into consideration the revenue and gross profit in the Reporting Period. Management of the Company believes that the investment in key fixed assets of the Company is anticipated to yield returns over long term. Accordingly, it was determined that the fixed asset of the Company has no further impairment for the Reporting Period.

At the end of the Reporting Period, a review was conducted on the expected credit loss of the Company's finance lease receivables and trade receivables with reference to the past-due status and aging information of the grouped debtors, a reversal of impairment on the trade receivables of approximately HK\$0.3 million (Previous Period: HK\$1.5 million) was recognized for the Reporting Period due to the settlement made by some debtors in which special provision was made in respect of the settlement balance in FY2025.

## Finance Costs

Finance costs of the Company mainly comprised interest on lease liabilities, interest on loans from a shareholder, interest on loans from third parties and interest on bank and other borrowings. Finance costs amounted to approximately HK\$15.0 million for the Reporting Period, representing a increase of 4.6% as compared to approximately HK\$14.3 million for the Previous Period, the increase was primarily due to an increase in bank borrowings during the Reporting Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Income Tax Expense

Income tax expense mainly comprised current income tax and deferred income tax, the PRC subsidiaries of the Company are subject to the Enterprise Income Tax as determined under PRC tax laws and accounting standards.

Income tax expense amounted to approximately HK\$144,000 for the Reporting Period, mainly represents provision of the PRC enterprise income tax in the Reporting Period.

## Loss for the Period

As a combined result of the factors discussed above, the Company's loss for the Reporting Period was approximately HK\$72.8 million, representing an increase of 27.6% as compared to approximately HK\$57.0 million for the Previous Period.

## INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

## CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2025, the cash and cash equivalents of the Company amounted to approximately HK\$57.9 million (31 March 2025: HK\$37.3 million), which were mainly denominated in Hong Kong Dollar and Renminbi.

As at 30 September 2025, the total interest-bearing bank and other borrowings of the Company amounted to approximately HK\$642.1 million (31 March 2025: HK\$687.9 million) mainly are loans from a shareholder of the Company and bank loans. The interest-bearing bank and other borrowings were primarily used for working capital and infrastructure projects of the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS

## GEARING RATIO

The Company monitors capital on the basis of the gearing ratio. Gearing ratio is calculated by dividing the interest-bearing debts by total equity at the period end date and expressed as a percentage, the net debts are defined as interest-bearing borrowings that exclude payables and accruals incurred in the ordinary course of business. The gearing ratio of the Company as at 30 September 2025 was 198.0% (31 March 2025: 288.5%), the improvement of the gearing ratio of the Company mainly attributable to the capitalisation of loan from a shareholder amounting to HK\$140 million during the period.

## CAPITAL COMMITMENT

As at 30 September 2025, the total capital commitments by the Company amounted to approximately HK\$195.2 million (31 March 2025: HK\$133.1 million), which were mainly contracted commitments in respect of infrastructure projects and purchase of machinery and equipment.

## CONTINGENT LIABILITIES

The Company had no significant contingent liabilities as at 30 September 2025 (31 March 2025: Nil).

## PLEDGE OF ASSETS

As at 30 September 2025, the Company's land use rights, property, plant and equipment and machinery with an aggregate carrying amount of approximately HK\$81.6 million (31 March 2025: HK\$82.0 million) were pledged to secure certain loans and banking facilities granted to the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS

## RISK MANAGEMENT

### Macroeconomic Fluctuation and Industry Cyclical Risks

The Company is engaged in the NG industry, the market demand for NG is closely related to the development of the national economy, infrastructure investment and construction and environmental protection policies etc. Affected by global macroeconomic fluctuations, the degree of industry prosperity and other factors, the industry in which the Company operates is cyclical to a certain extent. Any future adverse changes in the macro environment, market demand and the environment of competition in the future, which will adversely affect the business growth, NG sales or cost of the Company, will lead to a decline in the results of operations of the Company and adversely affect its sustainable profitability.

In addition, the Company's results are significantly influenced by factors including changes in industry policies and the market demand and the increase in labor costs. In the future, in case of any adverse change including failure of the Company to effectively predict the change of market demand or grasp industry policies accurately, the Company will be subject to risks of a slowdown in the growth of the global business market or even fluctuation of results of operations.

The Company is committed to promoting compliance in its diversified development, further building and improving the business arrangements around the nation, thus enriching the revenue structure of main businesses of the Company and maintaining the sustainable competitive advantage of the Company in the complex environment. Meanwhile, the Company has always monitored the regulatory trend in the places where it operates, adjusted its business strategies in a timely manner, thoroughly studied the industry standards in the places where it operates. The Company has continuously improved to ensure that the Company meets the conditions of its business licenses, so as to guarantee the sustainable and healthy development of its business.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **Risk of Exchange Rate Fluctuations**

The major operating units of the Company is in China and is exposed to foreign exchange risk that comes from future commercial transactions and holding assets and liabilities in Renminbi, as the reports of the Company is in Hong Kong Dollar, a strengthen of the Hong Kong Dollar against Renminbi will have a negative impact on the reported comprehensive income. The Company will remain subject to the risk of exchange loss, in case of significant fluctuations in the exchange rate of the reporting currency against any foreign currency in the future as a result of any changes in the domestic and foreign economic environment, political situation, monetary policies and other factors.

The Company manages its foreign exchange risk by regularly reviewing its net exposure to foreign exchange risk, the management of the Company continuously monitors factors that may affect exchange rate fluctuations, including but not limited to changes in the economic environment, policy changes, and geopolitical events and considers taking appropriate hedging measures when necessary.

## **Shortage In the Supply of NG and Risk of Significant Increase In Prices**

The Company's operation process depends on the timely and stable supply of NG, despite stable partnerships with the major supplier for sufficient supply and relatively stable prices, any sudden and significant changes in production and operation of the major supplier, the quality of natural gas supplied or the period of supply failing to meet the Company's requirements, any changes in the business relationship with the Company, or significant fluctuations of the supply prices and failure of the Company to adjust the selling prices proportionally in a timely manner may have adverse impacts on the operation of the Company.

The Company will actively use the price and scale advantage created by centralized purchase channels as well as effective control of supply platforms to reduce purchase costs and the impact of fluctuations in NG prices.

# MANAGEMENT DISCUSSION AND ANALYSIS

## LEGAL PROCEEDINGS

The Company received a “Civil Ruling” dated 21 October 2024 issued by the Tianjin High People’s Court of PRC regarding the outcome of the re-trial application submitted by the Group on 20 May 2024. Pursuant to the Civil Ruling, the court’s ruling on 25 April 2024 had been upheld, Great Trend Investment Management (Shanghai) Company Limited\*, an indirectly wholly-owned subsidiary of the Company, was liable to pay the creditor the outstanding balance of unpaid rental, along with penalty charge and overdue interest with total approximately RMB65 million (this amount had been fully recognized in the financial statements for the year ended 31 March 2024, and prior years). Additionally, the Group will continue to incur overdue interest from 1 April 2024, until the outstanding balance are settled. As at 30 September 2025, the overdue interest amounts to approximately HK\$5.8 million (six months ended 30 September 2024: HK\$7.4 million) was fully provided.

The aforementioned litigation outcome will not have any significant impact on the Group’s cash flow or future development. The Company will continue to consult with its legal advisors in China, monitoring the impact of these legal actions on the Group. Simultaneously, the Group will continue to actively negotiate with creditors to seek an amicable resolution to the disputes and to amend repayment terms.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2025, the Company had a staff roster of 445 members (31 March 2025: 518). The related staff costs including directors’ emoluments for the Reporting Period amounted to approximately HK\$30.6 million (six months ended 30 September 2024: HK\$36.3 million). The decrease in the staff costs was mainly due to the cost-reduction and efficiency-enhancement measures implemented by the Company for the Reporting Period.

The remuneration of employees of the Company was in line with market trend and commensurate to the levels of pay in the industry and to the performance of individual employee that are regularly reviewed. In addition to basic salary, employees are entitled to other benefits including those under social insurance contribution, employee provident fund schemes and share option scheme of the Company. The emoluments of the Directors and senior management is determined by reference to their performance for the year, their respective experience, qualification, duties and responsibilities in the Company and the prevailing market rate and will be subject to review by the remuneration committee and the Board from time to time.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EVENT AFTER THE REPORTING PERIOD

The Company had no material subsequent event after the Reporting Period and up to the date of this interim report.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments held by the Company, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Reporting Period.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

### *Zhanjiang Centralized Energy Supply and Distribution Base*

Reference is made to the announcement of the Company date 9 December 2024, Gangneng Smart Energy (Zhanjiang) Co., Ltd. a joint venture of the Group, secured this project in Zhanjiang Port Industrial Zone, with construction starting on 6 December 2024. Upon completion of the construction, the Group will obtain the perpetual and exclusive operating right of the project, under which it will provide unified industrial steam services to enterprises in the industrial zone, as well as centralized supply and distribution of heat and electricity.

The project is currently in the piling construction phase, with approximately RMB59 million already invested. It is scheduled for completion and commissioning in the second half of 2026.

### *Dongguan Songshan Lake Scipolis Centralized Energy Station Project*

References is made to the announcement of the Company dated 11 July 2024 and 6 August 2024, in relation to, the Company received a notice from the government on 11 July 2024 that the Group has successfully won the bid (the **"Tender"**) for a 20-year exclusive franchise for the centralized energy station project in the Songshan Lake Scipolis in Dongguan (the **"Centralized energy station"**).

## MANAGEMENT DISCUSSION AND ANALYSIS

On 6 August 2024, Oasetech Energy, an indirect wholly owned subsidiary of the Company, entered into the Investment and Operation Agreement with Dongguan Huiheng, pursuant to which (i) Oasetech Energy agreed to invest in the Project with an amount of RMB107 million (equivalent to approximately HK\$117 million); and responsible for the building of the integrated system including cooling system, steam system, photovoltaic power generation, energy storage and charging piles, Oasetech Energy shall be granted a 20 year exclusive operating right for the Project; Oasetech Energy can enter into energy supply contract with the enterprises located in the Songshan Lake Scipolis and receive revenue calculated based on their actual energy consumption; (ii) Dongguan Huiheng agreed to provide the land for the Project and assist Oasetech Energy to obtain the necessary administrative approvals and filings for construction of the project, including but not limited to the property ownership certificate, the land use planning permit, the construction project planning permit, the construction project building permit and the investment filing certificate. Dongguan Huiheng shall be entitled to share a portion of the operating revenue according to the contract terms, accounting for 5%-20% of the revenue generated from various energy supply; and (iii) after the expiration of the 20 year exclusive operating right, the ownership and management rights of the integrated energy system will be unconditionally transferred to Dongguan Huiheng.

The project has completed the construction of core facilities including the base-load chiller and heat recovery unit, with an investment of approximately RMB25 million. Some equipment and facilities have commenced trial operation. Subsequent construction will proceed as planned, including ice storage, photovoltaic, and energy storage systems, with completion scheduled for the first half of 2026.

### ***China HK Power Smart Energy's headquarters***

References is made to the announcement of the Company dated 7 August 2024, in relation to that the Company has entered into a Strategic Cooperation Framework Agreement with the Management Committee of Yixing Economic and Technological Development Zone under the Yixing Municipal Government to jointly establish a joint venture company.

The Joint Venture Company will set up China HK Power Smart Energy's headquarters production base and R&D center in the Yixing Economic and Technological Development Zone, focusing on the development of green and low-carbon energy transformation and smart energy system construction, with the goal of becoming a leading and globally influential smart low-carbon energy industry base and R&D center in China. The project itself will be constructed as a zero-carbon demonstration project.

## MANAGEMENT DISCUSSION AND ANALYSIS

The project is currently in the phase of foundation earthwork excavation and base slab construction, with approximately RMB36 million already invested. It is scheduled for completion in the second half of 2026.

### ***Weiyang District, Xi'an City clean energy municipal centralized cooling/heating project***

References is made to the announcement of the Company dated 10 September 2024, in relation to that HK Power Investment (Shenzhen) Co., Limited#, an indirect wholly owned subsidiary of the Company has entered into a Strategic Cooperation Framework Agreement with the People's Government of Weiyang District, Xi'an City for an exclusive franchise for clean energy municipal centralized cooling/heating project.

The Group will invest in the project located in the Weiyang Lake area of Xi'an City with a maximum amount of RMB417 million and responsible for the building of a 182.2MW integrated energy station and a 5 million square meter wastewater source system along with the installation of transmission and distribution pipelines.

Upon completion of the construction, the Group will obtain the exclusive franchise for the project.

The project is currently in the preparatory phase of project plan development.

Save as disclosed above, there was no other plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

### **RELATED PARTY TRANSACTIONS**

Details of related party transactions of the Company during the Reporting Period entered into by the Group in the ordinary and usual course of business and on normal commercial terms are set out in note 24 to the condensed consolidated financial statements. Each of the related party transactions during the Reporting Period constitutes a connected transaction or continuing connected transaction but is fully exempted and not subject to any of the disclosure requirements under Chapter 14A of the Listing Rules.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS**

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period, nor had there been any contract of significance entered into between the Company and a controlling shareholder of the Company during the Reporting Period.

### CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company has adopted the code provisions set out in the Corporate Governance Code ("**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules as its code of corporate governance. For the Reporting Period, the Board is of the view that the Company has complied with the applicable code provisions set out in the CG Code as contained in Part 2 of Appendix C1 to the Listing Rules.

### UPDATE ON THE DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, there were no changes in the information of the directors of the Company (the "**Directors**") since the date of the 2025 annual report of the Company required to be disclosed in this Interim Report 2025.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the "**Model Code**") as set out in Appendix C3 of the Listing Rules regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors confirmed that they have fully complied with the Model Code during the six months ended 30 September 2025.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "SFO"), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules were as follows:

#### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

| Name of Directors                | Capacity nature of interests                                   | Long position/<br>Short position | Number of<br>Ordinary shares held        | Approximate<br>percentage of<br>shareholding<br><small>(Note 1)</small> |
|----------------------------------|----------------------------------------------------------------|----------------------------------|------------------------------------------|-------------------------------------------------------------------------|
| Dr. Kan Che Kin,<br>Billy Albert | Beneficial owner and<br>interests in controlled<br>corporation | Long position                    | 4,654,777,346<br><small>(Note 2)</small> | 62.60%                                                                  |
|                                  |                                                                | Short position                   | 1,750,634,193                            | 23.54%                                                                  |
| Mrs. Kan Kung Chuen<br>Lai       | Interest of spouse                                             | Long position                    | 4,634,777,346                            | 62.60%                                                                  |
|                                  |                                                                | Short position                   | 1,750,634,193                            | 23.54%                                                                  |
| Mr. Deng Yaobo                   | Beneficial owner                                               | Long position                    | 700,000,000<br><small>(Note 3)</small>   | 9.41%                                                                   |
| Mr. Li Kai Yien                  | Beneficial owner                                               | Long position                    | 200,000                                  | 0.01%                                                                   |
| Mr. Simon Murray                 | Beneficial owner                                               | Long position                    | 5,000,000<br><small>(Note 3)</small>     | 0.07%                                                                   |

## OTHER INFORMATION

Notes:

1. Based on 7,435,678,367 shares of the Company in issue as at 30 September 2025.
2. 5,000,000 shares among these 4,654,777,346 shares are held by Ground Up Profits Limited (“**Ground Up**”). Dr. Kan beneficially owns the entire issued share capital of Ground Up, which in turn beneficially owns 62.60% of the shareholding in the Company. Dr. Kan is the Chairman and an executive Director of the Company, Dr. Kan is also a director of Ground Up.
3. These shares represent the option shares, which were beneficially owned by Dr. Kan, were granted by Dr. Kan to Mr. Murray and Mr. Deng upon the exercise in full of the rights pursuant to option deed agreements entered between Dr. Kan and each of Mr. Murray and Mr. Deng. Mr. Deng is the chief executive officer and an executive Director of the Company. Mr. Murray is non-executive Director of the Company. Details of share options held by the Directors are shown in the section “Share Option Scheme” below.

### Directors’ Interests in Shares in Associated Corporation of the Company

| Name of Director                 | Name of company in which interests were held | Nature of interests | Number of Shares held | Approximate percentage of interests in the capital of the associated corporation |
|----------------------------------|----------------------------------------------|---------------------|-----------------------|----------------------------------------------------------------------------------|
| Dr. Kan Che Kin,<br>Billy Albert | Key Fit Group Limited                        | Beneficial owner    | 69,982,878            | 10.00%                                                                           |

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 September 2025.

## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

As at 30 September 2025, the Directors were not aware of any persons (other than Directors or chief executives of the Company whose interests are set out in the section “Directors’ and Chief Executives’ Interests and/or Short Positions in the Shares, Underlying Shares and Debentures” above), had interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### SHARE OPTION SCHEME

The existing share option scheme was adopted by the Company on 30 August 2019, the purpose of which is to incentivize and reward eligible participants for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

The Scheme shall be valid and effective for a period of 10 years commencing on the adoption date, after which period no further options will be granted under the Scheme but the provisions of the Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto. Eligible participants under the Share Option Scheme include, among others, employees, Directors, customers, advisors, consultants, suppliers or service providers of the Group, who may be invited by the Directors to take up options as referred to the Scheme.

## OTHER INFORMATION

Further details in relation to share options are set out in note 23 to the condensed consolidated financial statements, details of the movements of the share options during the period under the Scheme are as follows:

|                               |                   | Number of Share Options  |                                 |                                   |                                              |                               |                                                              |                           |
|-------------------------------|-------------------|--------------------------|---------------------------------|-----------------------------------|----------------------------------------------|-------------------------------|--------------------------------------------------------------|---------------------------|
|                               | Date of grant     | As at<br>1 April<br>2025 | Granted<br>during<br>the period | Exercised<br>during<br>the period | Lapsed/<br>Cancelled<br>during<br>the period | As at<br>30 September<br>2025 | Vesting<br>and exercise<br>period<br><small>(Note 1)</small> | Exercise<br>Price<br>HK\$ |
| <b>Director</b>               |                   |                          |                                 |                                   |                                              |                               |                                                              |                           |
| Dr. Kan Che Kin, Billy Albert | 31 December 2019  | 5,640,000                | –                               | –                                 | –                                            | 5,640,000                     | Option A                                                     | 0.53                      |
|                               | 16 July 2021      | 100,000,000              | –                               | –                                 | –                                            | 100,000,000                   | Option D                                                     | 0.50                      |
| Director Subtotal             |                   | 105,640,000              | –                               | –                                 | –                                            | 105,640,000                   |                                                              |                           |
| <b>Employees</b>              |                   |                          |                                 |                                   |                                              |                               |                                                              |                           |
| Ms. Yu Ada                    | 21 August 2023    | 56,000,000               | –                               | –                                 | –                                            | 56,000,000                    | Option H                                                     | 0.50                      |
| Other 3 employees             | 31 March 2021     | 300,000                  | –                               | –                                 | –                                            | 300,000                       | Option C                                                     | 0.50                      |
|                               | 30 September 2021 | 1,200,000                | –                               | –                                 | –                                            | 1,200,000                     | Option E                                                     | 0.50                      |
|                               | 21 August 2023    | 8,400,000                | –                               | –                                 | –                                            | 8,400,000                     | Option H                                                     | 0.50                      |
| Employee subtotal             |                   | 65,900,000               | –                               | –                                 | –                                            | 65,900,000                    |                                                              |                           |
|                               |                   | 171,540,000              | –                               | –                                 | –                                            | 171,540,000                   |                                                              |                           |

During the period ended 30 September 2025, no share options were lapsed due to termination of employment contracts. As at 30 September 2025, the number of shares available for grant under the 2019 Scheme was 392,839,709 shares (31 March 2025: 392,839,709 shares), representing 5.28% (31 March 2025: 5.89%) of the total number of issued shares of the Company.

## OTHER INFORMATION

The total number of shares available for issue under the 2019 Scheme was 564,379,709 (2024: 564,379,709), representing approximately 7.59% (2024: 8.46%) of the 7,435,678,367 ordinary shares in issue as of the date of the 2025 interim report (and of the 6,674,029,649 ordinary shares in issue as of the date of the 2024 interim report).

As at the period ended 30 September 2025, the number of shares that may be issued in respect of options granted during the year under the 2019 Scheme was 126,460,000 and this divided by the weighted average number of shares of the Company in issue for the period ended 30 September 2025 being approximately 7,049,429,831 is 1.79%.

Subject to any early termination or/and as may be determined by the Board, the share options granted are valid for a term of ten years commencing from the date of grant, any share options not exercised by the end of validity period shall lapse. As at 30 September 2025, an aggregate of 126,460,000 shares (31 March 2025: 66,660,000 shares) under the Share Option Scheme were vested and entitling the holders to exercise the option in the validity period.

Remuneration committee of the Company reviewed matters related to share schemes under Chapter 17 of the Listing Rules, approved the key terms of any new compensation and benefits plans that have a material financial, reputational and strategic impact on the Company.

Notes:

### 1. Vesting and exercise period for above share options granted are as follows:

|          |                                             |
|----------|---------------------------------------------|
| Option A | From 31 December 2019 to 31 December 2029   |
| Option C | From 31 March 2021 to 31 March 2031         |
| Option D | From 16 July 2021 to 16 July 2031           |
| Option E | From 30 September 2021 to 30 September 2031 |
| Option H | From 21 August 2023 to 21 August 2033       |

2. Subject to the rules of the Scheme, the share options are exercisable in the following manner for a period from the date of the acceptance of the share options to 10 years from the date of grant:

| Percentage of the Share Options that are vested and exercisable | Period for the exercise of the relevant Share Options |
|-----------------------------------------------------------------|-------------------------------------------------------|
| The first 30% (i.e. up to 30% in total)                         | on the second-year anniversary from the date of grant |
| Additional 30% (i.e. up to 60% in total)                        | on the third-year anniversary from the date of grant  |
| Additional 40% (i.e. up to 100% in total)                       | on the fourth-year anniversary from the date of grant |

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the section “Share Option Scheme” and “Directors’ and Chief Executive’s Interests and/or Short Positions in Shares, Underlying Shares and Debentures” in this report, at no time during the period was the Company or any of its holding companies or subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the period and up to the date of this report, none of the Directors and directors of the Company’s subsidiaries or their respective associates had any interests in any businesses, apart from the Group’s business, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

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

For the six months ended 30 September 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## OTHER INFORMATION

### AUDIT COMMITTEE

The Company established an Audit Committee in accordance with Rule 3.21 of the Listing Rules with terms of reference aligned with provision of the CG Code. The primary responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Company's financial controls, internal control and risk management systems, to review and monitor the effectiveness of the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee consists of three independent non-executive Directors, namely Mr. Li Siu Yui, Mr. Chow Ching Ning and Mr. Lam Lum Lee as its members, Currently Mr. Li Siu Yui is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Company for the six months ended 30 September 2025 and this report.

### APPRECIATION

On behalf of the Board, I would like to express our appreciation to all our management and staff members for their ongoing contribution and hard work. We would also like to thank our shareholders for their continuing support.

On behalf of the Board

**China HK Power Smart Energy Group Limited**  
**Kan Che Kin, Billy Albert**

*Chairman*

Hong Kong, 28 November 2025