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中裕能源控股有限公司

ZHONGYU ENERGY HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
(Stock Code:3633)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2025

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	For the year ended 31st December,		
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	changes %
Turnover	12,444,246	13,472,199	(7.6)%
Profit before tax	572,930	448,697	27.7%
Profit for the year	253,217	201,144	25.9%
Profit attributable to owners of the Company	247,278	146,384	68.9%
Basic earnings per share (HK cents)	8.98	5.25	71.0%
Unit of natural gas sold ('000 m ³)	3,213,651	3,196,174	0.5%
Unit of gas sold to LNG wholesale customers ('000 m ³)	653,593	394,586	65.6%
Proposed final dividend (HK cents)	3.00	2.00	50%

CHAIRMAN’S STATEMENT

To our valued shareholders,

In 2025, the international situation was volatile with escalating geopolitical risks and trade protectionism, which continued to increase the uncertainties of global economic development. Meanwhile, domestic demand further slowed down, and the industrial structure accelerated its transformation towards “innovation” and “optimization”. The wave of artificial intelligence (AI) swept across all industries, and the technological revolution was spawning entirely new tracks and dimensions at an unprecedented speed. Meanwhile, the energy industry was in a critical period featuring “the pain of transition for traditional energy and the accelerated expansion of new energy”. Amidst the complex and ever-changing external environment, Zhongyu Energy proactively adapted to changes, empowered its operations with digitalization and intelligence, pursued refined operations, optimized fund management and reduced financial costs. These efforts provided a solid guarantee for the steady development of the enterprise, and the Company’s operating results demonstrated strong resilience.

Over the past year, in terms of operations, the Group took safety as the cornerstone, people’s livelihood as the guide and digitalization and intelligence as the driving force, and adopted a package of measures to consolidate the foundation of the city gas business. At the same time, the Group’s smart energy projects operated steadily with good returns, and the project benefits were gradually realized. On this basis, the Group firmly implemented the new transformation strategy of focusing on its biomass business to carry out zero-carbon coupling business. Through pioneering initiatives, the Group successfully launched a number of high-quality biomass zero-carbon projects. Moreover, by integrating upstream and downstream resources, the Group extended its business across the entire biomass industrial chain and gradually established a complete business chain from core equipment to terminal services, thereby laying a solid industrial foundation for the Group’s future diversified development path. In terms of management, the Group orderly promoted the optimization and adjustment of the organizational structure and simultaneously launched the organizational performance innovation project. Driven by refined management practices—such as leadership optimization, talent pipeline development, senior executive succession planning, and the optimisation of middle management teams within subsidiaries—we have established a solid foundation to support the Group’s strategic transformation.

PROSPECTS

In 2026, the global economy is expected to demonstrate resilience supported by falling inflation and the benefits of AI technology, yet growth divergence, trade frictions and geopolitical risks remain the major challenges. As the inaugural year of the “15th Five-Year Plan”, China’s economy has reached a critical juncture in the transition from old to new growth drivers. New quality productive forces will accelerate to offset the drag from the downturn of the real estate sector, moving China’s economy towards a new pattern of high-quality development with the support of proactive fiscal policies and moderately loose monetary policies. Against the backdrop of major macro changes and new strategic beginnings, the transformation logic of the energy sector has become increasingly clear. Natural gas is making a crucial leap from a “transitional energy” to a “fundamental pillar energy”, and is deeply integrated into the overall construction of the new energy system with the dual missions of “supporting transformation and ensuring security”.

Faced with the vast development opportunities brought by the upgraded strategic positioning of natural gas, Zhongyu Energy will seize these opportunities and take proactive actions. It will deepen its principal city gas business, continuously strengthen the capacity for safe and reliable supply, optimize the gas source structure and improve smart operation capabilities, thereby laying a solid foundation for development. Meanwhile, the Group will focus on tapping the potential of existing assets and innovating services, continuously extend the service chain, and vigorously expand business scenarios such as gas insurance, gas appliance sales and gas pipeline aesthetic improvement. It will establish more enduring relationships with customers and create incremental value while meeting their energy consumption needs. With safe and reliable supply and high-quality and efficient services, it will fulfill corporate responsibilities in the tide of energy transformation and achieve sustainable development.

On the other hand, building upon the Group’s established presence across the entire biomass industrial chain, the Group will fully leverage the closed-loop advantages of “technology + equipment + services” model, continuously deepen industrial chain synergy, steadily promote the replication and expansion of zero-carbon projects, and drive the biomass business from individual project operations towards achieving economies of scale. At the same time, the Group will take biomass energy as the starting point to actively expand overseas markets and explore the path of international development. Leveraging its accumulated experience in smart operations, the Group will advance the digital and intelligent management of biomass energy utilization, better meet the global manufacturing sectors’ demands for low-carbon, environmentally friendly, efficient energy use and high reliability, further consolidate the foundation for diversified development, and support the steady and sustained progress of the Group’s green transformation.

In terms of digital and intelligent upgrading, the Group will seize the opportunities presented by the AI technological revolution and fully promote the deep integration of digital and intelligent technologies with business management. At the operational level, it will accelerate the implementation of AI technology in scenarios such as intelligent pipeline network monitoring, accurate load forecasting, fault early warning and emergency scheduling. At the management level, it will drive the digital transformation of financial management, human resources, risk management and compliance and supply chain collaboration. At the service level, it will deepen the application of AI in user profiling, demand insight and precise services, explore user needs through intelligent means, optimize customer experience and improve the efficiency of service response. Through all-round digital and intelligent upgrading, it will continuously improve the level of the enterprise's refined management and operational efficiency within the Group.

In terms of environmental, social and governance (ESG) management, the Group will deeply integrate the ESG philosophy into strategic decision-making and daily operations, continuously improve the ESG governance structure, strengthen environmental performance management and information disclosure, enhance the transparency and standardization of corporate governance, and respond to the expectations of stakeholders in a responsible manner. At the same time, the Group will continue to explore opportunities for green finance cooperation, deeply integrate green financing tools with financial management, optimize the capital structure and reduce financing costs through diversified financing channels, and direct green financing precisely towards green projects such as biomass energy supply, thereby aligning capital allocation with the green strategy. Building on this foundation, the Group will also continuously strengthen cash flow management and cost control, providing a solid foundation for the Group's green transformation and sustainable development.

APPRECIATION

Looking back on our journey, every step of Zhongyu Energy's growth embodies the wisdom and hard work of every member of the Zhongyu family; every milestone has been made possible by the trust and support of our partners. This united strength has allowed us to stand firm amidst the storms of the market and forge ahead firmly in the tide of transformation. Looking to the future, the tide of energy reform is surging forward. Zhongyu Energy will anchor the course of green development, deepen our commitment to the city gas business and expand the market for biomass zero-carbon business. With even greater determination and a more pragmatic approach, we will safeguard energy security, empowering the enhancement of people's wellbeing and the green development of society. With this mission on our shoulders, the road ahead is long and the responsibility heavy. On behalf of the Board of Directors, I would like to extend my sincere thanks to every member of the Zhongyu family and express my deep gratitude to our customers, shareholders and people from all sectors of society for their long-standing support.

Wang Wenliang

Chairman

Hong Kong

27th March, 2026

CEO MESSAGE

To our valued shareholders,

On behalf of the Board of Directors and fellow Zhongyu staff members, I am pleased to present our annual results for the year ended 31st December, 2025 (“the Year”).

2025 was a year fraught with challenges. Geopolitical conflicts and trade protectionism intensified markedly, exerting a substantial impact on the global economy and rendering the external environment increasingly complex and challenging. The domestic economy entered a critical period of transitioning between old and new growth drivers, with insufficient effective demand and longstanding structural contradictions persisting, and the foundation for economic recovery and improvement still remained to be further consolidated. As a result, the national apparent consumption volume of natural gas reached 426.55 billion cubic meters, representing a slight increase of 0.1% year-on-year. In the face of these challenges, Zhongyu Energy strictly adhered to safety protocols to ensure secure supply. By focusing on refined management, the Company tapped into internal potential and enhance external resilience, thereby firmly maintaining the stability of the city gas business amidst the complex and severe market environment. At the same time, the Group’s smart energy business operated steadily and made breakthroughs in the new sector of biomass business, successfully established the full industrial chain of biomass zero-carbon business, injecting new green momentum into the high-quality development of the Company.

As of 31st December, 2025, the Group had 74 franchised gas projects in 11 provinces in China; our city gas business served 35,340 industrial and commercial customers and approximately 5.40 million residential households; during the same period, the number of operational integrated energy projects reached 237; the integrated energy sales volume amounted to 1,399 million kilowatt-hours. In 2025, the Group’s total natural gas sales volume increased by 0.5% year-on-year to 3,213,651,000 cubic meters.

RESULTS

For the year ended 31st December, 2025, the Group recorded a turnover of HK\$12,444,246,000 (2024: HK\$13,472,199,000), a 7.6% decrease year-on-year. The decrease in turnover was primarily from the decrease in revenue from sales of gas and smart energy.

BUSINESS REVIEW

The Group's four major core businesses, namely sales of gas, gas pipeline construction, smart energy and value-added services, accounted for 82.9%, 6.7%, 5.4%, and 3.6% of the Group's turnover for 2025, respectively. The sales of gas business continued to be the Group's largest contributor in 2025, with sales amounting to HK\$10,316,759,000 (2024: HK\$10,734,109,000). Due to the Group's large and highly loyal customer base, this business continued will to be a core contributor to the Group's performance.

Over the years, the Group has been committed to actively optimizing its gas source organization, identifying opportunities for cooperation in the upstream of natural gas, and has successfully developed its international LNG trading business. During the year, sales of this business amounted to HK\$2,766,675,000 (2024: HK\$2,920,367,000), representing a year-on-year decrease of 5.3%; while natural gas trade reached 1,003,591,000 cubic meters.

With the Group's efforts over the past few years, the gas connection penetration rate in its operating regions has reached a relatively high level. In 2025, the national real estate market continued to be sluggish, and the newly completed housing area continued to decline, which had a certain impact on the development of new residential households. In order to maintain a sound customer mix and accounts receivable level, during the year, the number of new residential piped gas connections reached 207,685. As of 31st December 2025, the cumulative number of connected residential households reached 5.40 million, representing an increase of approximately 4.0% over the corresponding period last year; during the year, 397 new industrial customers and 3,735 new commercial customers were connected, representing an increase of 25.2% and 6.2% over the corresponding period last year, respectively. As the Group continued to expand its business coverage, the total length of the Group's existing intermediate and main pipelines increased from 28,201 kilometers to 28,597 kilometers, representing an increase of 1.4%.

The Group has proactively promoted the business structure optimization as well as the strategy transformation, and strived to develop its integrated energy business. It also established and implemented a new transformation strategy of focusing on biomass to carry out zero-carbon coupling business. During the reporting period, driving by factors such as proactive optimisation of business structure and the prioritisation of resources towards emerging strategic sectors, the sales of the Group's smart energy business reached HK\$667,569,000 (2024: HK\$1,154,291,000), accounting for 5.4% (2024: 8.6%) of the Group's total revenue and representing a year-on-year decrease of 42.2%; while the sales volume of its integrated energy business amounted to 1,399 million kilowatt-hours, representing a year-on-year decrease of 42.7%. During the year, the Group has achieved a significant breakthrough for its biomass business and implemented its upstream and downstream industry chain layout, in an orderly manner, opening up new opportunities for the Group's future high-quality, green and low carbon development.

Relying on our highly loyal base of city gas customers, the Group innovated its operations and promoted the sales of its own-brand kitchen appliances, “Zhongyu Phoenix” (中裕鳳凰), and provided more convenient and efficient value-added services to customers through the “Zhongyu iFamille” (中裕i家) retail platform. Meanwhile, the Group proactively developed innovative businesses, such as gas insurance and interior beautification services, expanded into external markets and incubated sub-brands of interior. Following the commencement of operation of “Zhongyu Aijia” (中裕愛家) smart living store, our interior beautification service has been officially launched, further boosting our market share and brand influence. During the year, sales of this business amounted to HKD454,962,000 (2024: HKD368,462,000), representing an increase of 23.5% year-on-year.

PROSPECTS

In 2026, risks such as geopolitical tensions, the rise of trade protectionism, and high debt levels will continue to hinder the pace of global economic recovery. As the first year of the “15th Five-Year Plan”, the Chinese economy is experiencing a dual transition underpinned by “external demand support” and “domestic demand bottoming out”. Against this backdrop, the city gas industry faces both opportunities and challenges. During the “15th Five-Year Plan period”, natural gas is no longer merely a “transitional energy source” in the development of the new energy system, but has been entrusted with the dual role of “supporting transformation and ensuring security”.

Therefore, the Group will always take “ensuring secure supply” as the lifeline of its operations. It will safeguard the safety and stability of gas supply by further enhancing our safety management system, strengthening diversified gas source security, and promoting the digital and intelligent upgrading of pipeline networks as well as the renovation of aging pipelines. At the same time, the Group will continue to improve customer service standards, respond flexibly to market and policy changes, and focus on optimizing energy application scenarios and enhancing service experience from the customers’ perspective. It will foster “symbiotic and mutually beneficial” relationships with our customers and provide personalized energy supply services through refined operational upgrades, thereby enhancing the Group’s competitiveness and supporting its steady and sustainable development.

Meanwhile, the Group fully recognizes the symbiotic, supportive and complementary relationship between natural gas and integrated energy against the backdrop of national energy structure reform. While further consolidating the foundation of city gas business, the Group will firmly implement the transformation strategy of “focusing on biomass business to carry out zero-carbon coupling business” (以生物質業務為主線開展零碳耦合業務). It will concentrate our resources on high-quality industrial customers and zero-carbon industrial parks within our operational regions and pooling resources to create replicable, high-quality biomass projects. At the same time, it will strengthen the application of digital and intelligent technologies in the biomass field, building a digital and intelligent application system from individual points to broader areas and ultimately to a network. Leveraging technological strengths to drive business innovation and service upgrading, it will lay a solid foundation for the future overseas expansion of our biomass business, thereby achieving a leap from regional leadership to global presence.

In 2026, the Group will:

- (i) continuously improve customer service standards, flexibly respond to market changes, accelerate the implementation of residential price adjustment, and further optimize the gas supply structure, to consolidate the foundation of our city gas business through service innovation and lean operations;
- (ii) gain an early foothold in the biomass business track, expand market share, translate existing layout into actual revenue, and continuously optimize the business model while expanding the business to achieve leapfrog development;
- (iii) deepen the integration of digital and intelligent technologies with business scenarios, systematically promote the application of digital and intelligent technologies in scenarios such as pipeline network inspection, leakage early warning, equipment monitoring, intelligent dispatch, customer profiling, and value-added businesses, and leverage technological strengths to drive the comprehensive upgrading in safety and emergency response, market expansion, business innovation, and operational management;
- (iv) deepen the upgrading of the Group's financial management, continuously optimize the debt structure, strictly control overdue receivables, rigorously enforce the accountability mechanism, and fortify the financial safety margins for the Group's operations;
- (v) continuously improve management systems and standard operating procedures in key areas including investment decision-making, project construction, safe operations, and material procurement, establish a full-process risk management and control mechanism for business development, and strengthen the Group's compliance and risk-resilience capabilities; and
- (vi) thoroughly implement ESG development philosophy, expand channels for green finance cooperation, strengthen internal governance, optimize the quality of ESG information disclosure, and drive the enhancement of corporate value through sustainable development.

In the new year, the Group will continue to deepen its core city gas business, steadily promote the implementation of the biomass business development strategy, and gradually translate its existing layout into tangible growth drivers, providing strong support for the Group's high-quality development. In the future, the Group will seize the development opportunities of the new era, and comprehensively empower management upgrading and business innovation through digital and intelligent technologies such as artificial intelligence. On the premise of maintaining a solid foundation for existing businesses, the Group will promote its long-term transformation in an orderly manner, steadily expand its growth potential, and strive toward the vision of becoming a "most valuable integrated energy service provider", effectively creating value for shareholders and contributing to the sustainable development of society.

Lui Siu Keung

Chief Executive Officer

27th March, 2026

The board of directors (the “Board” or the “Directors”) of Zhongyu Energy Holdings Limited (the “Company”) is pleased to announce below the consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31st December, 2025, together with the comparative figures for the corresponding period in 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Turnover	3	12,444,246	13,472,199
Cost of sales		<u>(10,813,135)</u>	<u>(11,711,530)</u>
Gross profit		1,631,111	1,760,669
Other gains and losses	5	149,507	(15,586)
Other income	6	120,280	206,515
Selling and distribution costs		(202,055)	(246,302)
Administrative expenses		(615,500)	(623,557)
Impairment losses on financial assets and contract assets, net		(128,261)	(12,010)
Finance costs	7	(397,485)	(629,488)
Share of results of associates		16,923	10,240
Share of results of joint ventures		<u>(1,590)</u>	<u>(1,784)</u>
Profit before tax		572,930	448,697
Income tax expenses	8	<u>(319,713)</u>	<u>(247,553)</u>
Profit for the year	9	<u>253,217</u>	<u>201,144</u>

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year		253,217	201,144
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		149,103	(276,233)
Fair value losses on revaluation of pipelines included in property, plant and equipment		(362,443)	(176,753)
Deferred tax arising from revaluation of pipelines included in property, plant and equipment		90,611	44,188
		<u> </u>	<u> </u>
Other comprehensive income for the year		(122,729)	(408,798)
		<u> </u>	<u> </u>
Total comprehensive income for the year		130,488	(207,654)
		<u> </u>	<u> </u>
Profit for the year attributable to:			
Owners of the Company		247,278	146,384
Non-controlling interests		5,939	54,760
		<u> </u>	<u> </u>
		253,217	201,144
		<u> </u>	<u> </u>
Total comprehensive income attributable to:			
Owners of the Company		141,072	(243,417)
Non-controlling interests		(10,584)	35,763
		<u> </u>	<u> </u>
		130,488	(207,654)
		<u> </u>	<u> </u>
Proposed final dividend of HK3 cents (2024: HK2 cents) per ordinary share	<i>10</i>	82,449	55,436
		<u> </u>	<u> </u>
Earnings per share	<i>11</i>		
Basic		HK8.98 cents	HK5.25 cents
		<u> </u>	<u> </u>
Diluted		HK8.98 cents	HK5.25 cents
		<u> </u>	<u> </u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2025

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current assets			
Investment properties		5,866	6,098
Property, plant and equipment		15,991,544	15,215,356
Right-of-use assets		642,180	658,096
Goodwill		464,181	449,613
Other intangible assets		1,252,799	1,296,517
Long-term deposits, prepayments and other receivables		1,045,443	1,131,281
Interests in associates		822,325	779,740
Interests in joint ventures		11,469	12,686
Financial assets at fair value through other comprehensive income		77,916	115,493
		20,313,723	19,664,880
Current assets			
Inventories		375,313	526,984
Properties under development for sale		227,519	318,647
Trade receivables	<i>12</i>	1,679,512	1,732,847
Deposits, prepayments and other receivables		1,274,589	1,692,060
Amount due from a non-controlling shareholder of a subsidiary		8,380	8,117
Contract assets		593,603	624,511
Tax recoverable		3,842	3,721
Bank balances and cash		1,082,832	1,650,857
		5,245,590	6,557,744
Current liabilities			
Trade payables	<i>13</i>	963,719	1,547,375
Other payables and accrued charges		845,756	734,588
Amount due to a non-controlling shareholder of a subsidiary		1,229	1,190
Amount due to an associate		999	968
Contract liabilities		997,006	1,322,008
Borrowings		7,914,824	5,977,459
Lease liabilities		7,897	6,558
Tax payables		103,061	85,548
		10,834,491	9,675,694
Net current liabilities		(5,588,901)	(3,117,950)
Total assets less current liabilities		14,724,822	16,546,930

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Capital and reserves		
Share capital	27,483	27,777
Reserves	<u>7,318,467</u>	<u>7,357,751</u>
Equity attributable to owners of the Company	7,345,950	7,385,528
Non-controlling interests	<u>958,773</u>	<u>995,443</u>
Total equity	<u>8,304,723</u>	<u>8,380,971</u>
Non-current liabilities		
Deferred income and advance received	3,430	3,876
Borrowings	5,280,866	6,922,213
Lease liabilities	17,851	18,046
Deferred taxation	<u>1,117,952</u>	<u>1,221,824</u>
	<u>6,420,099</u>	<u>8,165,959</u>
	<u>14,724,822</u>	<u>16,546,930</u>

NOTES

For the year ended 31st December, 2025

1. AMENDMENTS TO HKFRS ACCOUNTING STANDARDS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) to the financial statements for the current accounting period. The amendments do not have a material impact on the financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

As at 31st December, 2025, the Group has net current liabilities of HK\$5,588,901,000.

The Directors have therefore given careful consideration to the future liquidity of the Group when preparing the consolidated financial statements. The Directors believe that the Group will be able to meet in full its financial obligations as and when they fall due for the foreseeable future, taking into account total new bank borrowings amounting to approximately HK\$4.1 billion obtained in the first quarter of 2026, cash generated from operating activities and expected new banking facilities. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared on the historical cost basis except for certain property, plant and equipment, financial instruments and investment properties that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. TURNOVER

Disaggregation of revenue from contracts with customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Types of goods or services		
Sales of gas	10,316,759	10,734,109
Gas pipeline construction	835,378	1,003,736
Smart energy	667,569	1,154,291
Value-added services	454,962	368,462
Sales of compressed natural gas or liquefied natural gas ("CNG/LNG") in vehicle filling stations	<u>169,578</u>	<u>211,601</u>
Total	<u>12,444,246</u>	<u>13,472,199</u>
Timing of revenue recognition		
A point in time	11,608,868	12,468,463
Over time	<u>835,378</u>	<u>1,003,736</u>
Total	<u>12,444,246</u>	<u>13,472,199</u>

Over 95% of the Group's revenue from contracts with customers are derived from the People's Republic of China ("PRC").

4. SEGMENT INFORMATION

The Group's executive directors are the chief operating decision makers ("CODM") as they collectively make strategic decisions on resources allocation and performance assessment.

Information that is reported to the CODM for the purpose of resources allocation and assessment of performance focuses on the type of products delivered or services rendered which is also consistent with the basis of organisation of the Group.

Each type of product or service represents an unique business unit within the Group whose performance is assessed independently. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments are therefore as follows:

- (a) sales of gas;
- (b) gas pipeline construction;
- (c) smart energy;
- (d) value-added services (including sales of stoves and provision of other related services); and
- (e) operation of CNG/LNG vehicle filling stations.

Segment revenue and results

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

For the year ended 31st December, 2025

	Sales of gas <i>HK\$'000</i>	Gas pipeline construction <i>HK\$'000</i>	Smart energy <i>HK\$'000</i>	Value-added services <i>HK\$'000</i>	Operation of CNG/LNG vehicle filling stations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>10,316,759</u>	<u>835,378</u>	<u>667,569</u>	<u>454,962</u>	<u>169,578</u>	<u>12,444,426</u>
Segment profit	<u>451,723</u>	<u>322,187</u>	<u>65,274</u>	<u>115,915</u>	<u>2,273</u>	957,372
Unallocated other income						26,500
Unallocated other gains and losses						152,215
Unallocated central corporate expenses						(122,212)
Impairment losses on other receivables and long-term other receivables						(43,460)
Finance costs						<u>(397,485)</u>
Profit before tax						<u>572,930</u>

For the year ended 31st December, 2024

	Sales of gas <i>HK\$'000</i>	Gas pipeline construction <i>HK\$'000</i>	Smart energy <i>HK\$'000</i>	Value-added services <i>HK\$'000</i>	Operation of CNG/LNG vehicle filling stations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>10,734,109</u>	<u>1,003,736</u>	<u>1,154,291</u>	<u>368,462</u>	<u>211,601</u>	<u>13,472,199</u>
Segment profit	<u>520,452</u>	<u>511,845</u>	<u>74,140</u>	<u>144,835</u>	<u>1,739</u>	1,253,011
Unallocated other income						24,950
Unallocated other gains and losses						(13,228)
Unallocated central corporate expenses						(182,477)
Impairment loss on other receivables						(4,071)
Finance costs						<u>(629,488)</u>
Profit before tax						<u>448,697</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Reportable segments represent the financial result of each segment without allocation of central administration costs, directors' emoluments, interest income, change in fair value of investment properties, foreign exchange gains or losses, certain sundry income, impairment losses on other receivables and long-term other receivables and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

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

Other segment information

2025

	Sales of gas HK\$'000	Gas pipeline construction HK\$'000	Smart energy HK\$'000	Value-added services HK\$'000	Operations of CNG/LNG vehicle filling stations HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss:								
Net loss on disposal of property, plant and equipment	163	142	147	66	-	518	-	518
Depreciation of right-of-use assets	13,630	-	171	-	7,050	20,851	2,727	23,578
Depreciation of property, plant and equipment	506,271	1,481	1,439	2,479	7,069	518,739	9,850	528,589
Amortisation of other intangible assets	81,265	-	2,084	-	-	83,349	-	83,349
Impairment losses recognised on								
- trade receivables	3,101	71,487	-	-	-	74,588	-	74,588
- contract assets	-	10,213	-	-	-	10,213	-	10,213
- other receivables	-	-	-	-	-	-	23,460	23,460
- long-term other receivables	-	-	-	-	-	-	20,000	20,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

2024

	Sales of gas HK\$'000	Gas pipeline construction HK\$'000	Smart energy HK\$'000	Value-added services HK\$'000	Operations of CNG/LNG vehicle filling stations HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss:								
Net loss (gain) on disposal of property, plant and equipment	2,284	-	88	8	(22)	2,358	-	2,358
Depreciation of right-of-use assets	13,487	-	212	-	7,141	20,840	3,577	24,417
Depreciation of property, plant and equipment	481,664	1,537	1,297	3,665	9,863	498,026	12,450	510,476
Amortisation of other intangible assets	81,609	-	2,093	-	-	83,702	-	83,702
Impairment losses recognised on								
- trade receivables	-	6,433	-	-	-	6,433	-	6,433
- contract assets	-	1,506	-	-	-	1,506	-	1,506
- other receivables	-	-	-	-	-	-	4,071	4,071
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Geographical information

Over 95% of the Group's turnover for both years are derived from the PRC. None of the customers contributes over 10% of the total revenue of the Group.

As at 31st December, 2025, all the non-current assets of the Group (excluding financial assets) amounting to HK\$19,524,262,000 (2024: HK\$18,834,291,000) are located in the PRC.

5. OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Net foreign exchange gains (losses) (<i>Note</i>)	152,635	(12,805)
Decrease in fair value of investment properties	(420)	(423)
Net losses on disposal of property, plant and equipment	(518)	(2,358)
Others	(2,190)	-
	<u>149,507</u>	<u>(15,586)</u>

Note:

The foreign exchange mainly related to the borrowings denominated in foreign currencies in translation to the functional currency of the relevant group entities.

6. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income from financial assets at amortised cost		
– Bank interest income	6,518	4,503
– Interest income from loans to employees	23,319	23,319
	<u>29,837</u>	<u>27,822</u>
Government subsidies (<i>Note</i>)	52,834	124,517
Sundry income	37,609	54,176
	<u>120,280</u>	<u>206,515</u>

Note:

During the year ended 31st December, 2025, the Group has received subsidies of HK\$52,834,000 (2024: HK\$124,517,000) from the relevant PRC governments for promoting the use of natural gas. There are no conditions attached to the subsidies granted to the Group.

7. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on borrowings	534,369	706,042
Interest on lease liabilities	698	1,419
	<u>535,067</u>	<u>707,461</u>
Amortisation on loan facilities fees relating to bank borrowings	34,956	65,517
	<u>570,023</u>	<u>772,978</u>
Total borrowing costs	570,023	772,978
Less: amounts capitalised in construction in progress included in property, plant and equipment	(172,538)	(143,490)
	<u>397,485</u>	<u>629,488</u>

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 3.81% (2024: 4.00%) per annum to expenditure on qualifying assets.

8. INCOME TAX EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
PRC Enterprise Income Tax:		
Current tax	282,105	269,358
Under provision in prior years	35,873	14,008
Withholding tax levied on dividend and interest income		
paid previously		
not recognised	<u>53,299</u>	<u>17,493</u>
	<u>371,277</u>	<u>300,859</u>
Deferred taxation	<u>(51,564)</u>	<u>(53,306)</u>
	<u><u>319,713</u></u>	<u><u>247,553</u></u>

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and its subsidiaries had no assessable profits arising in Hong Kong for both years.

9. PROFIT FOR THE YEAR

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	3,680	4,100
Amortisation of other intangible assets (included in cost of sales)	83,349	83,702
Depreciation of right-of-use assets	23,578	24,417
Depreciation of property, plant and equipment	528,589	510,476
Employee benefits expenses, other than directors' emoluments		
– Salaries and other benefits	470,217	471,578
– Contributions to retirement benefits schemes	106,479	106,946
	576,696	578,524
Cost of inventories recognised as expenses in respect of costs incurred for gas pipeline construction	94,296	170,970
Cost of inventories recognised as expenses in respect of sales of gas, CNG/LNG, liquefied petroleum gas, stoves and smart energy	9,815,983	10,861,621
Cost of properties held for sale recognised as expenses in respect of sales of properties	105,238	–
	10,015,517	11,032,591
Impairment losses		
– Long-term other receivables	20,000	–
– Trade receivables	74,588	6,433
– Other receivables	23,460	4,071
– Contract assets	10,213	1,506
	128,261	12,010
Gross rental income from investment properties with minimal outgoings	(1,041)	(476)
Gross rental income from equipment with minimal outgoings	(11,989)	(10,892)

10. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividend for ordinary shareholders of the Company recognised as distribution during the year:		
2024 final dividend of HK2 cents (2024: nil) per ordinary share	<u>54,966</u>	<u>–</u>
Final dividend, proposed, of HK3 cents (2024: HK2 cents) per ordinary share	<u>82,449</u>	<u>55,436</u>

Subsequent to the end of reporting period, a final dividend of HK3 cents per ordinary share in respect of the year ended 31st December, 2025 (2024: HK2 cents), in an aggregate amount of HK\$82,449,000 (2024: HK\$55,436,000), has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting.

11. EARNINGS PER SHARE

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings		
Earnings for the purposes of basic and diluted earnings per share, being profit for the year attributable to owners of the Company	<u>247,278</u>	<u>146,384</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>2,755,107</u>	<u>2,787,817</u>

12. TRADE RECEIVABLES

Other than certain major customers with good repayment history which the Group allows a long credit period or settlement by installment basis, the Group allows an average credit period of 30 to 180 days to its trade customers. The following is an aged analysis of trade receivables from contracts with customers net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates for sales of gas and the respective construction contracts completion dates, as appropriate:

	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	390,060	549,951
31 – 90 days	104,464	88,705
91 – 180 days	57,726	128,889
181 – 360 days	95,247	271,130
Over 360 days	1,032,015	694,172
	<hr/>	<hr/>
Trade receivables	1,679,512	1,732,847
	<hr/> <hr/>	<hr/> <hr/>

13. TRADE PAYABLES

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

	2025	2024
	HK\$'000	HK\$'000
0 – 30 days	178,667	594,477
31 – 90 days	124,794	151,923
91 – 180 days	180,121	108,586
Over 180 days	480,137	692,389
	<hr/>	<hr/>
Trade payables	963,719	1,547,375
	<hr/> <hr/>	<hr/> <hr/>

LIQUIDITY, FINANCIAL RESOURCES AND WORKING CAPITAL

Treasury Management and Cash Funding

The Group's funding and treasury policy is designed to maintain a diversified and balanced debt profile and financing structure. The Group continues to monitor its cash flow position and debt profile, and to enhance the cost-efficiency of funding initiatives by its centralised treasury function. In order to maintain financial flexibility and adequate liquidity for the Group's operations, potential investments and growth plans, the Group has built a strong base of funding resources and will keep exploring cost-efficient ways of financing.

Liquidity

As at 31st December, 2025, the total assets of the Group decreased by HK\$663,311,000 or 2.5% to HK\$25,559,313,000 (2024: HK\$26,222,624,000).

As at 31st December, 2025, the Group has net current liabilities of HK\$5,588,901,000 (2024: HK\$3,117,950,000). Increase in net current liabilities was mainly due to increase in borrowings due within one year.

As at 31st December, 2025, the Group's current ratio, represented by a ratio of total current assets to total current liabilities, was approximately 0.5 (2024: 0.7).

As at 31st December, 2025, the total borrowings and lease liabilities increased by HK\$297,162,000 or 2.3% to HK\$13,221,438,000 (2024: HK\$12,924,276,000).

As at 31st December, 2025, the Group had total net debts of HK\$12,138,606,000 (2024: HK\$11,273,419,000), measured as total borrowings and lease liabilities minus the bank balances and cash. As at 31st December, 2025, the Group had net gearing ratio of approximately 1.46 (2024: 1.35), measured as total net debts to total equity of HK\$8,304,723,000 (2024: HK\$8,380,971,000).

Financial resources

During the year ended 31st December, 2025, the Group entered into several loan agreements with several banks in Hong Kong, pursuant to which loan facilities of up to HK\$5,522,256,000 in total were made available to the Group.

During the year ended 31st December, 2025, the Group generally financed its operations with internally generated resources and bank and other borrowings. As at 31st December, 2025, all of the bank and other borrowings were on normal commercial terms.

The Group's borrowing was not affected by seasonality.

Working capital

In view of the Group's current financial and liquidity positions and taking into account the cash generated from operating activities and available financing facilities from banks, the Directors are of the opinion that the Group has sufficient working capital for its requirements.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

During the year, the Group's monetary assets and liabilities are principally denominated in either Renminbi ("RMB"), Hong Kong dollars ("HK\$") or United States dollars ("US\$") and the Group conducted its business transactions principally in RMB. As a result of the appreciation of RMB in 2025, exchange gain arose from the Group's bank borrowings denominated in US\$ and HK\$ as at 31st December, 2025. The Group may, as it thinks fit, seek suitable financial instruments to hedge against potential fluctuation of RMB. As at 31st December, 2025, the Group did not, but was actively exploring opportunities to, employ any financial instruments for hedging purposes.

EMPLOYEE INFORMATION

As at 31st December, 2025, the Group had a total of 5,080 employees (2024: 5,146) in Hong Kong and the PRC, and the total employee benefit expenses (other than directors) for the year was approximately HK\$654,222,000 (2024: HK\$651,570,000). The growth was mainly due to the increase in the average number of headcount of the Group. Around 99.8% of the Group's employees are based in the PRC.

The Group's remuneration and bonus policies are determined based on the performance of individual employees.

The emoluments of the Directors are recommended by the Remuneration Committee of the Company, having regard to the Group's operating results, the Directors' duties and responsibilities within the Group and comparable market statistics.

CHARGE ON THE GROUP'S ASSETS

As at 31st December, 2025, pledged bank deposit of RMB50,000,000 (equivalent to HK\$55,865,000), property, plant and equipment of RMB204,532,000 (equivalent to HK\$228,527,000) and certain trade receivables of the Group were used to secure general banking facilities granted to the Group.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSALS

During the year under review, the Group did not conduct any significant investments, or material acquisitions or disposal of subsidiaries, associates and joint ventures.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

As at 31st December, 2025, the Board did not have any specific plans for material investment or capital assets.

CAPITAL AND OTHER COMMITMENTS

As at 31st December, 2025, the capital expenditure in respect of the acquisition of property, plant and equipment and right-of-use assets contracted for but not provided in the consolidated financial statements was HK\$91,585,000 (2024: HK\$98,076,000).

CONTINGENT LIABILITIES

As at 31st December, 2025, the Group did not have any contingent liabilities (2024: nil).

BUSINESS REVIEW

During the year ended 31st December, 2025, the Group was principally engaged in (i) the investment, operation and management of gas pipeline infrastructure, and the distribution of piped gas to residential, industrial and commercial users; (ii) development of smart energy; (iii) sales of stoves and provision of other related value-added services; and (iv) the operation of CNG/LNG vehicle filling stations in the PRC.

Piped Gas Distribution Projects

As at 31st December, 2025, the Group had 74 gas projects with exclusive rights in the PRC.

SMART ENERGY BUSINESS DEVELOPMENT

With the reform of the domestic energy market and the national strategy emphasizing “green development” and “clean and low-carbon, safety and efficiency”, environmental protection policies and “dual carbon goals (carbon peak and neutrality)” have become one of the biggest driving forces for the Group to develop clean energy projects. The Group planned the layout of its comprehensive energy business years ago, and strived to become the most valuable integrated energy service provider. In view of the successive launch of a series of national policies related to energy transformation, opportunities for the Group to develop diversified businesses such as distributed energy, photovoltaic rooftop and charging stations were created. According to the scientific study and analysis on the policies, market and other various aspects, the Group enhanced the smart energy segment to a position of equal importance to the city gas segment in 2022, and proposed the new development strategy of “dual-wheel drive and synergetic development”, which has been adopted to date. Relying on its extensive experience accumulated in developing the energy segment over the years, the Group continued to further focus on the three major types of businesses, including energy management contract (EMC), district energy supply and low-carbon transportation, and actively expanded the smart energy business coverage. After comprehensive consideration of various aspects, the Group determined a development strategy of “focusing on biomass business to carry out zero-carbon coupling business”, which specified the development direction of our smart energy business in the next few years, and actively carried out the related businesses. During the year, the Group continuously developed the integrated energy business and the cumulative number of projects in operation reached 237. The sales volume of integrated energy throughout the year decreased by 42.7% to 1,399 million kWh as compared with the same period of last year.

Major Operational Data

The natural gas distribution business of the Group primarily comprises sales of gas, gas pipeline construction and sales of natural gas from CNG/LNG vehicle filling stations.

The major operational data of the Group for the year ended 31st December, 2025 together with the comparative figures for the corresponding period last year are as follows:

	2025	2024	Increase/ (Decrease)
Number of operational locations (<i>Note a</i>)	74	74	–
– Henan Province	28	28	–
– Hebei Province	21	21	–
– Jiangsu Province	7	7	–
– Shandong Province	4	4	–
– Jilin Province	4	4	–
– Fujian Province	1	1	–
– Heilongjiang Province	2	2	–
– Zhejiang Province	2	2	–
– Anhui Province	3	3	–
– Inner Mongolia	1	1	–
– Jiangxi Province	1	1	–
Connectable population ('000) (<i>Note b</i>)	26,309	25,540	3.0%
Connectable residential households ('000)	7,516	7,283	3.2%
New piped gas connections by the Group made during the year			
– Residential households	207,685	254,257	(18.3)%
– Industrial customers	397	317	25.2%
– Commercial customers	3,735	3,518	6.2%
Accumulated number of connected piped gas customers			
– Residential households	5,399,435	5,191,750	4.0%
– Industrial customers	4,975	4,578	8.7%
– Commercial customers	30,365	26,630	14.0%
Penetration rate of residential pipeline connection (<i>Note c</i>)	71.8%	71.3%	0.5%
Unit of piped natural gas sold to retail customers ('000 m ³)			
– Residential households	764,948	769,536	(0.6)%
– Industrial customers	1,298,010	1,323,493	(1.9)%
– Commercial customers	147,102	151,758	(3.1)%

	2025	2024	Increase/ (Decrease)
Unit of gas sold to wholesale customers ('000 m ³)			
– Piped natural gas	303,670	502,163	(39.5)%
– LNG	653,593	394,586	65.6%
Total unit of gas sold ('000 m ³)	3,167,323	3,141,536	0.8%
Number of CNG/LNG vehicle filling stations			
– Accumulated	55	56	(1)
– Under construction	7	7	–
Unit of natural gas sold to vehicles ('000 m ³)	46,328	54,638	(15.2)%
Total length of existing intermediate and main pipelines (km)	28,597	28,201	1.4%
Average selling price of natural gas (pre-tax) (RMB per m ³)			
– Residential households	2.65	2.65	–
– Industrial customers	3.44	3.54	(2.8)%
– Commercial customers	3.87	3.92	(1.3)%
– Wholesale customers	2.48	2.52	(1.6)%
– Wholesale customers (LNG)	2.98	3.05	(2.3)%
– CNG/LNG vehicle filling stations	3.35	3.53	(5.1)%
Average purchase cost of natural gas (RMB per m ³) (Note d)	2.66	2.71	(1.8)%
Average connection fee for residential households (RMB)	2,906	3,087	(5.9)%
Accumulated number of integrated energy projects in operation	237	283	(16.3)%
Sales volume of integrated energy (million kWh)	1,399	2,441	(42.7)%

Note a: The number of operational locations represents the gas projects with exclusive rights which are operated by the Group in different cities and regions in the PRC.

Note b: The information is quoted from the website of the PRC government.

Note c: The penetration rates of residential pipeline connection refers to the accumulated number of the Group's connected residential households to the estimated aggregate number of connectable residential households in its operation regions expressed in percentages.

Note d: The amounts do not include the average distribution costs of natural gas, which is RMB0.22 per m³ (2024: RMB0.19 per m³).

FINANCIAL REVIEW

Overall

The Group's turnover for the year ended 31st December, 2025 decreased by 7.6% to HK\$12,444,246,000 (2024: HK\$13,472,199,000). The Group's profit attributable to owners of the Company increased by 68.9% to HK\$247,278,000 (2024: HK\$146,384,000). The basic and diluted earnings per share attributable to the owners of the Company were HK8.98 cents and HK8.98 cents respectively for the year ended 31st December, 2025, as compared with that of HK5.25 cents and HK5.25 cents respectively for the corresponding period last year.

Turnover

An analysis of the Group's turnover by products and services for the year, together with the comparative figures for the corresponding period last year, are as follows:

	Year ended 31st December,				
	2025	%	2024	%	Increase/ (Decrease)
	HK\$'000	of total	HK\$'000	of total	
Sales of Gas	10,316,759	82.9%	10,734,109	79.7%	(3.9)%
Gas Pipeline Construction	835,378	6.7%	1,003,736	7.4%	(16.8)%
Smart Energy	667,569	5.4%	1,154,291	8.6%	(42.2)%
Value-added Services	454,962	3.6%	368,462	2.7%	23.5%
Sales of CNG/LNG in Vehicle Filling Stations	169,578	1.4%	211,601	1.6%	(19.9)%
Total	<u>12,444,246</u>	<u>100%</u>	<u>13,472,199</u>	<u>100%</u>	<u>(7.6)%</u>

The turnover for the year ended 31st December, 2025 amounted to HK\$12,444,246,000 (2024: HK\$13,472,199,000). Such decrease was mainly attributable to the decrease in revenue from sales of gas and smart energy.

Sales of gas

Sales of gas for the year ended 31st December, 2025 amounted to HK\$10,316,759,000 (2024: HK\$10,734,109,000), representing a decrease of 3.9% over the corresponding period last year.

Sales of gas for the year ended 31st December, 2025 contributed 82.9% of the total turnover of the Group, as compared with 79.7% during the corresponding period last year. Sales of gas continued to be the major source of turnover for the Group. The following table set forth the breakdown of revenue from sales of gas by customers.

Sales of gas by customers

	Year ended 31st December,				
	2025	%	2024	%	Increase/ (Decrease)
	HK\$'000	of total	HK\$'000	of total	
Industrial customers	4,880,022	47.3%	5,135,123	47.8%	(5.0)%
Residential households	2,217,473	21.5%	2,237,578	20.9%	(0.9)%
Commercial customers	622,167	6.0%	652,642	6.1%	(4.7)%
Wholesale customers	2,597,097	25.2%	2,708,766	25.2%	(4.1)%
Total	<u>10,316,759</u>	<u>100%</u>	<u>10,734,109</u>	<u>100%</u>	<u>(3.9)%</u>

Industrial customers

The sales of gas to the Group's industrial customers for the year ended 31st December, 2025 decreased by 5.0% to HK\$4,880,022,000 from HK\$5,135,123,000 for the corresponding period last year. During the year ended 31st December, 2025, the Group connected 397 new industrial customers, although the piped natural gas usage provided by the Group to its industrial customers decreased slightly by 1.9% to 1,298,010,000 m³ (2024: 1,323,493,000 m³). In response to lower cost of natural gas from suppliers for gas sales, the average selling price of natural gas for industrial customers for the year under review was adjusted downwards by 2.8% to RMB3.44 per m³ (2024: RMB3.54 per m³).

The sales of gas to our industrial customers for the year ended 31st December, 2025 contributed 47.3% of the total sales of gas of the Group (2024: 47.8%) and continues to be the major source of sales of gas of the Group.

Residential households

The sales of gas to our residential households for the year ended 31st December, 2025 slightly decreased by 0.9% to HK\$2,217,433,000 from HK\$2,237,578,000 for the corresponding period last year. The performance remains stable as it was supported by continuous construction work for gas pipeline connection and the growth in population in the Group's existing project cities in the PRC. In recent years, as the PRC has been promoting the establishment of the price linkage mechanism for natural gas, governments at local level have made price adjustment to the natural gas consumed by residential households. Furthermore, after years of promotion of clean energy heating plan, more residential households are willing to use natural gas for indoor heating in the winter, which led to stable gas consumption of residential households for indoor as well. During the year under review, the Group provided new natural gas connections for 207,685 residential households, although the piped natural gas usage provided by the Group to residential households decreased slightly by 0.6% to 764,948,000 m³ (2024: 769,536,000 m³). The average selling price of natural gas for residential customers remained stable at RMB2.65 per m³ (2024: RMB2.65 per m³).

The sales of gas to our residential households for the year under review contributed 21.5% of the total sales of gas of the Group (2024: 20.9%).

Commercial customers

The sales of gas to our commercial customers for the year ended 31st December, 2025 decreased by 4.7% to HK\$622,167,000 from HK\$652,642,000 for the corresponding period last year. The sales of gas to commercial customers for the year under review contributed 6.0% of the total sales of gas of the Group (2024: 6.1%). During the year ended 31st December, 2025, the Group connected 3,735 new commercial customers. As at 31st December, 2025, the number of commercial customers of the Group reached 30,365, representing an increase of 14.0% as compared with 26,630 commercial customers as at 31st December, 2024.

The demand of gas by restaurants, schools and recreational facilities decreased in 2025. The gas consumption of commercial customers decreased by 3.1% to 147,102,000 m³ (2024: 151,758,000 m³) for the year under review. In response to the lower cost of natural gas from suppliers in gas sales, the average selling price of natural gas for commercial customers was adjusted downwards by 1.3% to RMB3.87 per m³ (2024: RMB3.92 per m³) when compared to the corresponding period last year.

Wholesale customers

The sales of gas to our wholesale customers for the year end 31st December, 2025 decreased by 4.1% to HK\$2,597,097,000 from HK\$2,708,766,000 for last year. The sales of gas to wholesale customers for the year under review contributed 25.2% of the total sales of gas of the Group (2024: 25.2%).

During the year under review, piped natural gas usage provided by the Group to its wholesale customers declined by 39.5% to 303,670,000 m³ (2024: 502,163,000 m³). The average selling price of natural gas for wholesale customers for the year under review was adjusted downwards by 1.6% to RMB2.48 per m³ (2024: RMB2.52 per m³) in response to the lower cost of natural gas from gas suppliers.

During the year under review, the LNG provided by the Group to its wholesale customers increased by 65.6% to 653,593,000 m³ (2024: 394,586,000 m³). The average selling price of LNG for wholesale customers for the year under review, which was affected by the decrease of international LNG price, was adjusted downwards by 2.3% to RMB2.98 per m³ (2024: RMB3.05 per m³).

Gas Pipeline Construction

Revenue from gas pipeline construction for the year ended 31st December, 2025 amounted to HK\$835,378,000 (2024: HK\$1,003,736,000), representing a decrease of 16.8% over last year. Given the impact brought by the fact that the real estate industry in the PRC was recorded poor performance, there was a decline in the revenue from gas pipeline construction.

Gas pipeline construction contributed 6.7% of the total turnover of the Group, as compared with 7.4% during the corresponding period last year. The following table sets forth the breakdown of revenue from gas pipeline construction by customers.

Revenue from gas pipeline construction by customers

	Year ended 31st December,				Increase/ (Decrease)
	2025 HK\$'000	% of total	2024 HK\$'000	% of total	
Residential households	658,792	78.9%	860,734	85.8%	(23.5)%
Non-residential customers	176,586	21.1%	143,002	14.2%	23.5%
Total	835,378	100%	1,003,736	100%	(16.8)%

During the year ended 31st December, 2025, revenue from gas pipeline construction for residential households decreased by 23.5% to HK\$658,792,000 (2024: HK\$860,734,000). The drop was mainly attributable to the decrease in construction work for gas pipeline connection completed by the Group for residential households to 207,685 from 254,257 for the corresponding period last year. The average connection fee declined to RMB2,906 in 2025 from RMB3,087 in 2024.

The gross profit margin for gas pipeline construction for the year under review increased to 75.0% (2024: 69.7%).

The connection fee charged to industrial/commercial customers by the Group was significantly higher than that charged to residential households and was determined on a case-by-case basis. During the year ended 31st December, 2025, revenue from gas pipeline construction for non-residential customers increased by 23.5% to HK\$176,586,000 from HK\$143,002,000 for last year.

As at 31st December, 2025, the Group's penetration rates of residential pipeline connection amounted to 71.8% (2024: 71.3%) (calculated by the accumulated number of the Group's connected residential households over the estimated aggregate number of connectable residential households in regions it operates in and expressed in percentages). In view of the favourable energy policies in the PRC, the Group aims to continuously increase its market coverage by acquisitions when suitable opportunities arise.

Smart energy

Revenue from smart energy for the year ended 31st December, 2025 decreased by 42.2% to HK\$667,569,000 from HK\$1,154,291,000 for last year. The decrease was mainly attributable to the Group's continuous optimization of the business segment structure. While ensuring the stable operation of existing comprehensive energy projects, the Group has focused on the new biomass mainline, concentrating superior resources on the strategic development of the entire upstream and downstream biomass industry chain. The smart energy business contributed 5.4% (2024: 8.6%) of the total turnover of the Group for the year ended 31st December, 2025. The Group will gradually establish a complete business chain from core equipment to terminal services, giving full play to the closed-loop advantages of "technology + equipment + services", laying a solid industrial foundation for the Group's diversified development path in the future.

Value-added Services

Revenue from value-added services for the year ended 31st December, 2025 amounted to HK\$454,962,000 (2024: HK\$368,462,000), representing an increase of 23.5% over last year. It contributed 3.6% of the total turnover of the Group, as compared with 2.7% of last year.

The increase was mainly contributed by the revenue from properties sold for the year ended 31st December, 2025 amounted to HK\$111,702,000 (2024: nil), which was included as value-added services. Since 2017, the Group placed greater efforts into value-added services such as sales of stoves and safe and reliable kitchenware, including gas water heaters, gas cooking appliances and wall-hang boilers under its own brand name, “Zhongyu Phoenix” (中裕鳳凰), to residential customers. Excluded the revenue from properties sold, there was decrease in revenue of value-added services for the year under reviews, mainly due to decrease in the sales of gas stove, bellows, alarm and gasoline and diesel by 29.2% to HK\$120,025,000 from HK\$169,639,000 for last year. During the year ended 31st December, 2025, other than sales of gas stove, bellows, alarm and gasoline and diesel, revenue from sales of other stoves and provision of other related services increased by 12.3% as compared to last year. With the increasing number of connected residential customers and brand recognition developed in recent years, as well as the establishment of the online shopping platform “Zhongyu iFamille” (中裕i家), the independent supply platform, customer service platform and customer online community, the value-added services are expected to contribute stable revenue to the Group.

Sales of CNG/LNG in Vehicle Filling Stations

Revenue from operating CNG/LNG vehicle filling stations for the year ended 31st December, 2025 amounted to HK\$169,578,000 (2024: HK\$211,601,000), representing a decrease of 19.9% compared to last year. The unit of natural gas sold to vehicles decreased by 15.2% to 46,328,000 m³ (2024: 54,638,000 m³) and the average selling price of natural gas for CNG/LNG vehicle filling stations decreased by 5.1% to RMB3.35 per m³ (2024: RMB3.53 per m³) for the year ended 31st December, 2025.

During the year ended 31st December, 2025, the turnover derived from operating CNG/LNG vehicle filling stations accounted for 1.4% (2024: 1.6%) of the total turnover of the Group. As at 31st December, 2025, the Group had 55 CNG/LNG vehicle filling stations and 7 CNG/LNG vehicle filling stations under construction in the PRC.

Gross profit margin

The overall gross profit margin for the year ended 31st December, 2025 was remained stable at 13.1% (2024: 13.1%).

The gross profit margin for the sales of piped natural gas remained stable at 7.4% for the year under review (2024: 7.4%). The Group's energy trading business has been strengthened to secure stable gas supply from different sources and contracts have been signed with suppliers to secure more piped gas supply with lower average cost. The gross profit margin for gas pipeline construction increased to 75.0% for the year under review (2024: 69.7%) as the increase in construction work for gas pipeline connection completed by the Group for industrial and commercial customers with higher gross profit margin. The gross profit margin of smart energy increased to 16.4% (2024: 9.2%) mainly because of the rapid development of the Group's comprehensive energy business in 2025 which provides multiple forms of energy such as steam, coldness, heat, electricity, hydrogen and photovoltaic in order to meet the diversified energy demand of customers. Such comprehensive energy business offers a range of smart energy product and services with varying gross profit margins. Additionally, the comprehensive energy business of the Group is gradually maturing, with the number of projects being put into operation increased year by year, the close relationship between city gas and smart energy business leads to continuous improvement in management and operation. The gross profit margin for value-added services decreased to 64.6% (2024: 78.2%) mainly due to lower gross profit margin contributed by sales of properties. For the sales of CNG/LNG in vehicle filling stations, the gross profit margin was 0.3% (2024: 1.5%) as a result of the decline in average selling price outweighed the decline in average purchase cost of CNG/LNG sold in vehicle refilling station.

Other gains and losses

The Group recognised other net gains of HK\$149,507,000 in 2025 (2024: other net losses of HK\$15,586,000). The amount was mainly derived from net foreign exchange gain of HK\$152,635,000 (2024: net foreign exchange loss of HK\$12,805,000) mainly arising from the Group's bank borrowings denominated in US\$ and HK\$ as a result of the appreciation of RMB as at the 31st December, 2025.

Every year, the Group performs impairment assessment under expected credit loss model according to HKFRS 9 on trade receivables and contract assets based on provision matrix except for the debtors with credit-impaired balances which are assessed individually. During the year ended 31st December, 2025, the Group made an impairment loss of HK\$74,588,000 (2024: HK\$6,433,000) on trade receivables and HK\$10,213,000 (2024: HK\$1,506,000) on contract assets in consideration of the likelihood of recovery of those aged receivables. In addition, the Group recognised an impairment loss of HK\$23,460,000 (2024: HK\$4,071,000) on other receivables and HK\$20,000,000 (2024: nil) on long-term other receivables.

Other income

Other income decreased to HK\$120,280,000 in 2025 from HK\$206,515,000 in 2024. The amounts in 2025 represented the bank interest income of HK\$6,518,000 (2024: HK\$4,503,000), interest income from loans to employees of HK\$23,319,000 (2024: HK\$23,319,000), government subsidies of HK\$52,834,000 (2024: HK\$124,517,000) and sundry income of HK\$37,609,000 (2024: HK\$54,176,000).

Selling and distribution costs and administrative expenses

Selling and distribution costs decreased by 18.0% to HK\$202,055,000 in 2025 from HK\$246,302,000 in 2024. The decrease was mainly attributable to the decrease in salaries arose from the declined sales of stoves and provision of other related services compared to last year. Administrative expenses decreased by 1.3% to HK\$615,500,000 in 2025 from HK\$623,557,000 in 2024. The decrease was mainly attributable to the decrease in depreciation expenses when compared to prior year.

Finance costs

Finance costs decreased by 36.9% to HK\$397,485,000 in 2025 from HK\$629,488,000 in 2024. The decrease was mainly attributable to decrement of effective interest rate.

Income tax expenses

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Company is 25% for both years.

Under the EIT Law of the PRC, withholding tax is imposed on the dividend declared to non-PRC tax residents in respect of profits earned by PRC subsidiaries from 1st January, 2008 onwards. During the year ended 31st December, 2025, withholding tax amounting to HK\$30,355,000 (2024: HK\$17,493,000) was charged by the PRC tax authority on the dividends paid to overseas group entities.

Accordingly, the income tax expenses in 2025 amounted to HK\$319,713,000 (2024: HK\$247,553,000).

Non-HKFRS EBITDA

For the purposes of this announcement, non-HKFRS EBITDA is defined as earnings from continuing operations before finance costs, taxation, depreciation, amortisation, foreign exchange gain/loss, impairment losses/reversal of impairment losses and share option expenses. Non-HKFRS EBITDA is a non-HKFRS measure used by the management for monitoring the actual business performance of the Group. The Company considers that the non-HKFRS EBITDA can provide shareholders and potential investors of the Company with useful supplementary information on the performance of the Group’s core operations. Foreign exchange gain/loss and share option expenses are considered not directly resulting from the actual business activities of the Group. They, together with the impairment losses/reversal of impairment losses, are non-cash items which we do not believe are reflective of the core operating performance of the Group. The non-HKFRS EBITDA may not be comparable to similar measures presented by other companies.

The Group's non-HKFRS EBITDA was approximately HK\$1,581,557,000 for the year ended 31st December, 2025, representing a decrease of 8.1% as compared with that of approximately HK\$1,721,595,000 for last year.

Profit attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company was HK\$247,278,000 in 2025, representing an increase of 68.9% as compared with that of HK\$146,384,000 in 2024.

Net profit margin

For the year ended 31st December, 2025, the net profit margin, representing a ratio of profit attributable to owners of the Company to turnover, was 2.0% (2024: 1.1%).

Earnings per share

The basic and diluted earnings per share attributable to the owners of the Company were HK8.98 cents and HK8.98 cents respectively in 2025, as compared with that of HK5.25 cents and HK5.25 cents respectively in 2024.

Net assets value per share

The net assets value per share attributable to the owners of the Company was HK\$2.67 as at 31st December, 2025, representing an increase of 0.4% as compared with that of HK\$2.66 as at 31st December, 2024.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK3 cents (2024: HK2 cents) per ordinary share for the year ended 31st December, 2025. Final dividend is proposed to be paid to shareholders whose names appear on the register of members of the Company on 9th July, 2026 and expected to be paid in cash on or about 30th July, 2026. The payment of dividends shall be subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 of the Listing Rules. During the year under review, the Company has complied with all the applicable code provisions under the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted and complied with the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry of all Directors, they have all confirmed their compliance with the required standard of dealings and the Model Code regarding securities transactions by Directors adopted by the Company during the year ended 31st December, 2025.

AUDIT COMMITTEE

The Company’s Audit Committee, comprising Mr. Li Chunyan, Dr. Key Ke Liu and Ms. Liu Yu Jie, all being independent non-executive Directors, has reviewed with the Company’s management the accounting principles and practices adopted by the Group and financial reporting matters including a review of the annual results of the Group for the year ended 31st December, 2025. There were no disagreements within the Audit Committee in relation to the accounting treatment adopted by the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 31st December, 2025, the Company repurchased on The Stock Exchange of Hong Kong Limited a total of 29,390,000 shares of the Company at a total consideration of HK\$126,103,560. The repurchase of the Company’s shares was made for the benefit of the shareholders with a view to enhancing the net asset value per share and earnings per share of the Company. Such repurchased shares were cancelled on 19th March, 2025 and 20th June, 2025. Details of the share repurchases are summarised as follows:

Month of repurchase	Total number of shares repurchased	Repurchased price per share		Aggregate consideration (HK\$)
		Lowest (HK\$)	Highest (HK\$)	
January 2025	5,900,000	4.33	4.56	26,326,290
March 2025	1,500,000	4.14	4.29	6,363,790
April 2025	19,990,000	3.95	4.46	84,790,940
May 2025	2,000,000	4.28	4.34	8,622,540

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the year ended 31st December, 2025.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

This announcement is required to be published on the website of The Hong Kong Exchanges and Clearing Limited (“HKEX”) at www.hkex.com.hk under “Latest Listed Company Information” and the Company at www.zhongyuenergy.com under “Announcement And Circulars” respectively. The annual report of the Company for the year ended 31st December, 2025 will be published on the websites of the HKEX and the Company in April 2026.

SCOPE OF WORK OF KPMG

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

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company’s register of members on Friday, 26th June, 2026 (i.e the record date) will be eligible to attend and vote at the forthcoming annual general meeting of the Company. The Company’s transfer books and register of members will be closed from Tuesday, 23rd June, 2026 to Friday, 26th June, 2026 (both days inclusive) during which period no transfer of shares will be registered. In order to attend and vote at the forthcoming annual general meeting of the Company, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, 22nd June, 2026.

Shareholders whose names appear on the Company’s register of members on Thursday, 9th July, 2026 (i.e the record date) will qualify for the proposed final dividend. The Company’s transfer books and register of members will be closed from Wednesday, 8th July, 2026 to Thursday, 9th July, 2026 (both days inclusive) for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Tuesday, 7th July, 2026. The proposed final dividend (the payment of which is subject to the shareholders’ approval at the forthcoming annual general meeting) are expected to be paid on or about Thursday, 30th July, 2026 to shareholders whose names appear on the register of members of the Company on Thursday, 9th July, 2026.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Wang Wenliang (Chairman), Mr. Yiu Chi Shing (Vice Chairman), Mr. Lui Siu Keung (Chief Executive Officer), Mr. Jia Kun (Executive President), Mr. Peng Jun and Mr. Wang Jichao as the executive Directors, and Mr. Li Chunyan, Dr. Key Ke Liu and Ms. Liu Yu Jie, as the independent non-executive Directors.

By Order of the Board
ZHONGYU ENERGY HOLDINGS LIMITED
Wang Wenliang
Chairman

Hong Kong, 27th March, 2026