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UNITED ENERGY GROUP LIMITED

聯合能源集團有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 467)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS			
For the year ended 31 December 2025			
	<u>2025</u>	<u>2024</u>	Change
	HK\$'000	HK\$'000	%
Results			
Turnover	19,191,270	17,794,465	+7.8
Gross profit	3,381,177	3,573,192	-5.4
Profit for the year	1,117,119	1,558,118	-28.3
Profit for the year attributable to owners of the Company	1,117,131	1,558,132	-28.3
Basic earnings per share (HK cents)	4.35	6.04	-28.0
EBITDA ^(Note 1)	6,446,290	7,444,753	-13.4
Adjusted EBITDA ^(Note 1)	7,286,493	7,991,874	-8.8
Key items in Consolidated Statement of Financial Position			
Equity attributable to owners of the Company	13,179,426	13,289,971	-0.8
Total assets	29,138,820	26,120,400	+11.6
Net assets	13,184,823	13,295,380	-0.8
OPERATION HIGHLIGHTS			
For the year ended 31 December 2025			
	<u>2025</u>	<u>2024</u>	Change
			%
<u>Pakistan Assets</u>			
<u>Operation</u>			
Average Daily Working Interest Production (boed)	30,610	36,627	-16.4
<u>Reserve</u> ^(Note 2)			
Net Entitlement 1P Reserve at the year end (mmboe)	44.6	49.2	-9.3
Working Interest 2P Reserve at the year end (mmboe)	80.3	88.9	-9.7
<u>MENA Assets</u>			
<u>Operation</u>			
Average Daily Working Interest Production (boed) ^(Note 3)	92,233	71,452	+29.1
<u>Reserve</u> ^(Note 2)			
Net Entitlement 1P Reserve at the year end (mmboe)	131.2	110.6	+18.6
- Egypt Assets	10.0	3.9	+156.4
- Iraq Assets	121.2	106.7	+13.6
Working Interest 2P Reserve at the year end (mmboe)	599.3	576.7	+3.9
- Egypt Assets	32.9	17.3	+90.2
- Iraq Assets	566.4	559.4	+1.3

Note:

1. For EBITDA and adjusted EBITDA, please refer to “Other Financial Information” on pages 36 and 37 for more information.
2. Working interest reserve represents Group’s proportion prior to application of the state share under the concession agreements governing the assets, while net entitlement reserve represents Group’s proportion after application of the state share under the concession agreements governing the assets.
3. Average daily working interest production of the newly acquired Apex International Energy Holdings I Group are included from the completion date of acquisition.

** For identification purposes only*

The board of directors of the Company (the “Board”) of United Energy Group Limited (the “Company”) hereby present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Turnover	4	19,191,270	17,794,465
Cost of sales		(15,810,093)	(14,221,273)
Gross profit		3,381,177	3,573,192
Investment and other income	5	207,540	222,411
Other gains and losses	6	(654,442)	(438,337)
Exploration expenses		(382,591)	(577,194)
Administrative expenses		(851,599)	(700,501)
Other operating expenses		(52,723)	(54,526)
Profit from operations		1,647,362	2,025,045
Finance costs	8	(321,325)	(351,143)
Share of (losses)/profits of associates		(29,223)	56,623
Profit before tax		1,296,814	1,730,525
Income tax expense	10	(179,695)	(172,407)
Profit for the year	9	1,117,119	1,558,118
Attributable to:			
Owners of the Company		1,117,131	1,558,132
Non-controlling interests		(12)	(14)
		1,117,119	1,558,118
Earnings per share	11		
Basic (cents per share)		4.35	6.04
Diluted (cents per share)		N/A	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Profit for the year	1,117,119	1,558,118
Other comprehensive income after tax:		
<i>Item that will not be reclassified to profit or loss:</i>		
Remeasurement losses on defined benefit pension plans, net of tax credit of approximately HK\$92,000 (2024: HK\$400,000)	(4,470)	(765)
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	31,650	(5,820)
Release of exchange reserve and reclassified to profit or loss upon deemed disposal of investment in associates	30,834	-
Other comprehensive income for the year, net of tax	58,014	(6,585)
Total comprehensive income for the year	1,175,133	1,551,533
Attributable to:		
Owners of the Company	1,175,145	1,551,547
Non-controlling interests	(12)	(14)
	1,175,133	1,551,533

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2025

	Note	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Non-current assets			
Property, plant and equipment		13,626,285	11,870,336
Right-of-use assets		282,780	616,469
Intangible assets		1,274,847	1,582,605
Investment in associates		20,456	125,225
Investment in a joint venture		-	-
Advances, deposits and prepayments		38,657	93,423
Deferred tax assets		1,538,258	999,348
		<u>16,781,283</u>	<u>15,287,406</u>
Current assets			
Inventories		239,934	257,860
Trade and other receivables	13	8,394,694	7,603,933
Financial assets at fair value through profit or loss (“FVTPL”)		5,202	3,221
Employee retirement benefits assets		10,034	9,103
Current tax assets		22,145	23,081
Bank and cash balances		3,685,528	2,935,796
		<u>12,357,537</u>	<u>10,832,994</u>
Current liabilities			
Trade and other payables	14	9,615,685	8,794,443
Due to a director		-	7,708
Borrowings		837,123	155,825
Lease liabilities		94,472	129,523
Provisions		36,416	33,959
Financial guarantee contracts		-	8,634
Current tax liabilities		1,686,983	1,638,556
		<u>12,270,679</u>	<u>10,768,648</u>
Net current assets		<u>86,858</u>	<u>64,346</u>
Total assets less current liabilities		<u>16,868,141</u>	<u>15,351,752</u>
Non-current liabilities			
Trade and other payables	14	-	979,276
Borrowings		2,700,058	77,950
Lease liabilities		200,142	166,752
Provisions		694,880	699,752
Employee retirement benefits obligations		74,040	54,677
Deferred tax liabilities		14,198	77,965
		<u>3,683,318</u>	<u>2,056,372</u>
NET ASSETS		<u>13,184,823</u>	<u>13,295,380</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 31 December 2025

	Note	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Capital and reserves			
Share capital		260,405	260,405
Reserves		<u>12,919,021</u>	<u>13,029,566</u>
Equity attributable to owners of the Company		<u>13,179,426</u>	<u>13,289,971</u>
Non-controlling interests		<u>5,397</u>	<u>5,409</u>
TOTAL EQUITY		<u><u>13,184,823</u></u>	<u><u>13,295,380</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands and redomiciled to Bermuda as an exempted company with limited liability under the Companies Act of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is 39/F, West Tower, Cheung Kong Center II, 10 Harcourt Road, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has adopted all of the new or amended HKFRS Accounting Standards and Interpretations issued by the HKICPA that are mandatory for the current reporting period. There was no material impact to the consolidated financial statements as a result of the adoption of these standards.

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The company's assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the company, are set out below:

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

(b) Revised HKFRS Accounting Standards in issue but not yet effective (cont'd)

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendment to HKFRS 9 and HKFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendment to HKAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

(b) Revised HKFRS Accounting Standards in issue but not yet effective (cont'd)

The Group is currently assessing the impact of HKFRS 18, with respect to the structure of the Group's statement of loss, the statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs in its results announcements and the annual report. Under HKFRS 18, this will likely require additional disclosure for the MPMs within the notes to the financial statements.
- The Statement of Cash Flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

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

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKFRS 10 and HKAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group

4. TURNOVER

Turnover from contracts with customers for the year is as follows:

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Sales and production of crude oil, condensate, gas and liquefied petroleum gas (Note (a))	9,219,754	9,858,537
Trading of energy products	9,588,129	7,664,387
Sales of electricity generated from wind power (Note (b))	173,807	-
Other income – tax entitlement volumes (Note (c))	209,580	271,541
	<u>19,191,270</u>	<u>17,794,465</u>

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

	Sales and production of crude oil, condensate, gas and liquefied petroleum gas (Note (a)) HK\$'000	Trading of energy products HK\$'000	Sales of electricity generated from wind power (Note (b)) HK\$'000	Other income – tax entitlement volumes (Note (c)) HK\$'000	Total HK\$'000
For the year ended 31 December 2025					
Primary geographical markets					
- Hong Kong	-	500,343	-	-	500,343
- Pakistan	2,272,806	1,091,908	173,807	-	3,538,521
- Singapore	625,623	6,944,677	-	-	7,570,300
- Egypt	1,056,922	-	-	209,580	1,266,502
- Iraq	5,264,403	-	-	-	5,264,403
- United Arab Emirates	-	1,051,201	-	-	1,051,201
Revenue from external customers	<u>9,219,754</u>	<u>9,588,129</u>	<u>173,807</u>	<u>209,580</u>	<u>19,191,270</u>

4. TURNOVER (CONT'D)

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions: (cont'd)

	Sales and production of crude oil, condensate, gas and liquefied petroleum gas (Note (a)) HK\$'000	Trading of energy products HK\$'000	Sales of electricity generated from wind power (Note (b)) HK\$'000	Other income – tax entitlement volumes (Note (c)) HK\$'000	Total HK\$'000
For the year ended 31 December 2024					
Primary geographical markets					
- Hong Kong	-	215,587	-	-	215,587
- Pakistan	2,410,379	2,346,638	-	-	4,757,017
- Singapore	970,305	1,728,418	-	-	2,698,723
- Egypt	1,119,490	-	-	271,541	1,391,031
- Iraq	5,358,363	-	-	-	5,358,363
- United Arab Emirates	-	694,837	-	-	694,837
- Switzerland	-	2,678,907	-	-	2,678,907
Revenue from external customers	<u>9,858,537</u>	<u>7,664,387</u>	<u>-</u>	<u>271,541</u>	<u>17,794,465</u>

Notes:

- (a) The turnover from sales and production of crude oil, condensate, gas and liquefied petroleum gas are net of sales tax, royalty to government, sales discounts and windfall levy amounting to approximately HK\$362,676,000 (2024: HK\$379,626,000), HK\$399,061,000 (2024: HK\$470,480,000), HK\$Nil (2024: HK\$10,247,000), and HK\$52,195,000 (2024: HK\$132,088,000) respectively.
- (b) The turnover from sales electricity generated from wind power are net of sales tax amounting to approximately HK\$28,285,000 (2024: HK\$Nil).
- (c) Under the concession agreements in Egypt, income tax due on taxable profit is paid on behalf of the Group by the joint operation partner, Egyptian General Petroleum Corporation, from the Group's share of production. To reflect this arrangement through the concession agreements, the Group notionally receive a greater share of hydrocarbon production, grossing up the Group's entitlement interest share of production, by the amount required to cover the tax payable. The oil is produced and sold on behalf of the Group and proceeds remitted to the tax authorities. This income does not meet the HKFRS Accounting Standards definition of revenue and is therefore shown as other income with an equal and opposite tax charge recorded through current taxation.

5. INVESTMENT AND OTHER INCOME

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Dividends income from listed equity investments	217	308
Interest income on:		
Bank deposits	75,198	68,050
Loan receivables from former associate	663	1,869
Government treasury bills	4,385	-
Overdue receivables	6,741	-
Total interest income	86,987	69,919
Liquefied petroleum gas processing fees charged to concessions, net	4,689	6,668
Income from technical services charged to concessions	44,634	68,248
Income from operation and maintenance services provided	19,095	46,973
Management fees income	6,928	5,003
Rental income	3,303	3,418
Sales of scrap materials	32,082	2,603
Service income from trade of energy products	2,402	13,045
Others	7,203	6,226
	<u>207,540</u>	<u>222,411</u>

6. OTHER GAINS AND LOSSES

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Deemed gain on increase in interest of a joint operation	-	89,908
Fair value gains on financial assets at FVTPL	1,981	544
Gain on bargain purchase	114,381	-
Gain on deemed disposal of investment in associates	78,912	-
Gain on disposals of property, plant and equipment	2,216	9,850
Gain on lease modification	211	671
Net foreign exchange gains/(losses)	39,212	(15,714)
Realised gain on financial derivative instruments	25,070	-
Release of provision for decommissioning costs	5,852	4,740
Impairment losses on trade receivables	(4,818)	(78,000)
Impairment losses on investment in associates	-	(211,087)
Impairment losses on intangible assets	(761,012)	(8,528)
Impairment losses on property, plant and equipment	(165,081)	(212,083)
Imputed interest income on financial guarantee contracts	8,634	3,080
Property, plant and equipment written off	-	(21,718)
	<u>(654,442)</u>	<u>(438,337)</u>

7. SEGMENT INFORMATION

The chief operating decision maker is the board of the directors of the Company. During the year, the Group acquired subsidiaries that are engaged in the development and operation of a wind power project. As a result, the basis of segmentation is changed and the Group has identified three reportable segments as follows:

- Exploration and production - activities relating to the exploration and production of crude oil and natural gas in Pakistan, Middle East and North Africa
- Trading - activities relating to trading of energy products, including petrochemical
- Clean energy business - activities relating to sales of electricity generated from wind power and solar power

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and market strategies.

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Segment profit or loss does not include the following items:

- investment and other income
- other gains and losses
- share of (losses)/profits of associates

Segment assets do not include the following items:

- investment in associates
- deferred tax assets
- financial assets at fair value through profit or loss
- current tax assets
- bank and cash balances

Segment liabilities do not include the following items:

- due to a director
- borrowings
- lease liabilities
- deferred tax liabilities
- current tax liabilities
- financial guarantee contracts

7. SEGMENT INFORMATION (CONT'D)

	<u>Exploration and production</u> HK\$'000	<u>Trading</u> HK\$'000	<u>Clean energy business</u> HK\$'000	<u>Total</u> HK\$'000
For the year ended 31 December 2025				
Turnover from external customers	9,429,334	9,588,129	173,807	19,191,270
Segment profit/(loss)	1,593,819	(29,864)	29,289	1,593,244
Interest revenue	65,869	9,787	11,331	86,987
Interest expense	308,175	116	13,034	321,325
Depreciation and amortisation	4,715,237	515	40,692	4,756,444
Depreciation on right-of-use assets	68,652	3,023	32	71,707
Share of losses of associates	29,223	-	-	29,223
Income tax expense	168,461	3,568	7,666	179,695
Other material non-cash items:				
Allowance for trade receivables	-	-	4,818	4,818
Gain on bargain purchase	114,381	-	-	114,381
Gain on deemed disposal of investment in associates	78,912	-	-	78,912
Impairment losses on intangible assets	761,012	-	-	761,012
Impairment losses on property, plant and equipment	165,081	-	-	165,081
Property, plant and equipment written off	285,369	-	-	285,369
Addition to segment non-current assets	5,472,468	12,352	25,903	5,510,723
As at 31 December 2025				
Segment assets	21,110,498	1,629,396	1,127,337	23,867,231
Segment liabilities	<u>8,458,937</u>	<u>1,856,250</u>	<u>105,834</u>	<u>10,421,021</u>

7. SEGMENT INFORMATION (CONT'D)

	Exploration and production <u>HK\$'000</u>	Trading <u>HK\$'000</u>	Clean energy business <u>HK\$'000</u>	Total <u>HK\$'000</u>
For the year ended 31 December 2024				
Turnover from external customers	10,130,078	7,664,387	-	17,794,465
Segment profit	1,717,100	321	-	1,717,421
Interest revenue	63,929	5,990	-	69,919
Interest expense	351,070	73	-	351,143
Depreciation and amortisation	5,268,596	9	-	5,268,605
Depreciation on right-of-use assets	92,713	1,767	-	94,480
Share of profits of associates	56,623	-	-	56,623
Income tax expense	171,294	1,113	-	172,407
Other material non-cash items:				
Allowance for trade receivables	78,000	-	-	78,000
Deemed gain on increase in interest of a joint operation	89,908	-	-	89,908
Impairment losses on investment in associates	211,087	-	-	211,087
Impairment losses on intangible assets	8,528	-	-	8,528
Impairment losses on property, plant and equipment	212,083	-	-	212,083
Property, plant and equipment written off	466,016	-	-	466,016
Addition to segment non-current assets	6,525,947	1,743	-	6,527,690
As at 31 December 2024				
Segment assets	21,090,943	942,786	-	22,033,729
Segment liabilities	<u>7,516,019</u>	<u>3,046,088</u>	<u>-</u>	<u>10,562,107</u>

7. SEGMENT INFORMATION (CONT'D)

Reconciliation of reportable segment profit or loss, assets and liabilities:

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Profit or loss		
Total profit of reportable segments	1,593,244	1,717,421
Share of (losses)/profits of associates	(29,223)	56,623
Investment and other income	207,540	222,411
Other gains and losses	(654,442)	(438,337)
Consolidated profit for the year	<u>1,117,119</u>	<u>1,558,118</u>
Assets		
Total assets of reportable segments	23,867,231	22,033,729
<i>Unallocated amounts:</i>		
Investment in associates	20,456	125,225
Deferred tax assets	1,538,258	999,348
Financial assets at fair value through profit or loss	5,202	3,221
Current tax assets	22,145	23,081
Bank and cash balances	3,685,528	2,935,796
Consolidated total assets	<u>29,138,820</u>	<u>26,120,400</u>
Liabilities		
Total liabilities of reportable segments	10,421,021	10,562,107
<i>Unallocated amounts:</i>		
Due to a director	-	7,708
Borrowings	3,537,181	233,775
Lease liabilities	294,614	296,275
Deferred tax liabilities	14,198	77,965
Current tax liabilities	1,686,983	1,638,556
Financial guarantee contracts	-	8,634
Consolidated total liabilities	<u>15,953,997</u>	<u>12,825,020</u>

7. SEGMENT INFORMATION (CONT'D)

Geographical information:

The Group's turnover from external customers by location of operations and information about its non-current assets (excluding financial assets at amortised costs and deferred tax assets) by location of assets are detailed below:

	Sales and production of crude oil, condensate, gas and liquefied petroleum gas HK\$'000	Trading of energy products HK\$'000	Sales of electricity generated from wind power HK\$'000	Other income – tax entitlement volumes HK\$'000	Total HK\$'000
For the year ended 31 December 2025					
Primary geographical markets					
- Hong Kong	-	500,343	-	-	500,343
- Pakistan	2,272,806	1,091,908	173,807	-	3,538,521
- Singapore	625,623	6,944,677	-	-	7,570,300
- Egypt	1,056,922	-	-	209,580	1,266,502
- Iraq	5,264,403	-	-	-	5,264,403
- United Arab Emirates	-	1,051,201	-	-	1,051,201
Revenue from external customers	<u>9,219,754</u>	<u>9,588,129</u>	<u>173,807</u>	<u>209,580</u>	<u>19,191,270</u>
For the year ended 31 December 2024					
Primary geographical markets					
- Hong Kong	-	215,587	-	-	215,587
- Pakistan	2,410,379	2,346,638	-	-	4,757,017
- Singapore	970,305	1,728,418	-	-	2,698,723
- Egypt	1,119,490	-	-	271,541	1,391,031
- Iraq	5,358,363	-	-	-	5,358,363
- United Arab Emirates	-	694,837	-	-	694,837
- Switzerland	-	2,678,907	-	-	2,678,907
Revenue from external customers	<u>9,858,537</u>	<u>7,664,387</u>	<u>-</u>	<u>271,541</u>	<u>17,794,465</u>

7. SEGMENT INFORMATION (CONT'D)

Geographical information: (cont'd)

	Non-current assets	
	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Hong Kong	471,962	567,944
People's Republic of China ("PRC") (except Hong Kong)	144,410	110,412
Pakistan	4,555,777	5,121,686
Singapore	10,358	1,566
Egypt	2,010,318	1,093,231
Iraq	7,624,809	7,025,627
United Arab Emirates	22,142	24,536
Bulgaria	364,592	306,434
Consolidated total	<u>15,204,368</u>	<u>14,251,436</u>

Turnover from major customers:

Turnover derived from major customers who contributed 10% or more of total turnover of the Group is as follows:

	<u>2025</u>	<u>2024</u>
	HK\$'000	HK\$'000
Customer A	5,230,084	5,323,034
Customer B (Note)	4,760,523	N/A
Customer C (Note)	N/A	2,678,907
Customer D	2,723,421	2,634,627
Customer E (Note)	N/A	2,449,777
Customer F (Note)	N/A	1,773,254

Note:

Customer B did not contribute over 10% of the total turnover of the Group for the year ended 31 December 2024; customer C, customer E and customer F did not contribute over 10% of the total turnover of the Group for the year ended 31 December 2025 individually.

8. FINANCE COSTS

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Interest on bank loans	61,392	90,503
Interest expense on lease liabilities	22,890	16,848
Interest on advances from customers	203,572	204,874
Provisions - unwinding of discounts	38,910	42,359
Others	1,529	175
	<hr/>	<hr/>
Total borrowing costs	328,293	354,759
Amount capitalised	(6,968)	(3,616)
	<hr/>	<hr/>
	321,325	351,143

The weighted average capitalisation rate on funds borrowed was generally at a rate of 7.7% (2024: 3.4%) per annum.

9. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Auditors' remuneration	8,258	15,786
Amortisation of intangible assets (included in cost of sales)	232,775	334,529
Depreciation	4,523,669	4,934,076
Depreciation on right-of-use assets	71,707	94,480
Cost of inventories sold (note (a))	15,699,897	14,113,303
Gain on bargain purchase	(114,381)	-
Gain on deemed disposal of investment in associates	(78,912)	-
Impairment losses on investment in associates (included in other gains and losses)	-	211,087
Impairment losses on intangible assets (included in other gains and losses)	761,012	8,528
Impairment losses on property, plant and equipment (included in other gains and losses)	165,081	212,083
Property, plant and equipment written off (included in other gains and losses of approximately HK\$Nil (2024: HK\$21,718,000) and exploration expenses of approximately HK\$285,369,000 (2024: HK\$444,298,000))	285,369	466,016
Allowance for trade receivables	4,818	78,000
Staff costs excluding directors' emoluments		
- Salaries, bonuses and allowances	688,593	585,742
- Retirement benefits – defined contribution plans	47,113	34,435
- Retirement benefits – defined benefit plans	21,331	19,524
- Share-based payments	6,675	15,552
	<hr/>	<hr/>
	763,712	655,253

9. PROFIT FOR THE YEAR (CONT'D)

Notes:

- (a) Cost of inventories sold includes staff costs, depreciation and amortisation and short term leases expenses of approximately HK\$5,115,939,000 (2024: HK\$5,585,540,000) which are included in the amounts disclosed separately above.

10. INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as following:

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Current tax – Overseas		
Provision for the year	819,526	779,967
Provision for Pillar Two income taxes	41,729	-
Over-provision in prior years	<u>(49,007)</u>	<u>-</u>
	812,248	779,967
Deferred tax	<u>(632,553)</u>	<u>(607,560)</u>
	<u>179,695</u>	<u>172,407</u>

No provision for Hong Kong Profits Tax has been made in the financial statements since the Group has no assessable profit for the years ended 31 December 2025 and 2024.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

On 6 June 2025, Hong Kong has enacted the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 to implement the global minimum tax and the Hong Kong minimum top-up tax (“HKMTT”) in accordance with the global OECD Pillar Two model rules. This legislation implements:

- Hong Kong Minimum Top-up Tax (HKMTT): A qualified domestic minimum top-up tax (QDMTT) applicable to constituent entities in Hong Kong.
- Income Inclusion Rule (IIR): Applicable to the Group’s ultimate parent entity (UPE) located in Hong Kong in respect of low-taxed foreign subsidiaries.

These rules are effective for fiscal years beginning on or after 1 January 2025. The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two model rules, as provided in the amendments to HKAS 12 issued in May 2023. Consequently, the Group neither recognizes nor discloses deferred tax information related to Pillar Two income taxes.

For the year ended 31 December 2025, the Group qualified for the “Transitional CbCR Safe Harbour” in 18 jurisdictions (including Pakistan, Iraq, Egypt and United Arab Emirates). Consequently, the top-up tax for these jurisdictions is deemed to be zero.

For jurisdiction that did not satisfy the safe harbour criteria (including Singapore, Mauritius and British Virgin Islands), the Group performed full GloBE calculations based on the OECD Model Rules and local legislation to determine the top-up tax expenses as disclosed in the table above.

11. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$1,117,131,000 (2024: HK\$1,558,132,000) and the weighted average number of ordinary shares of 25,694,872,192 (2024: 25,801,598,466) in issue during the year.

(b) Diluted earnings per share

The Company did not have any dilutive potential ordinary share for the year ended 31 December 2025 and 2024. Diluted earnings per share for the year ended 31 December 2025 and 2024 are the same as the basic earnings per share for the year.

12. DIVIDEND

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
2024 Final dividend of HK5 cents per ordinary share paid	1,292,480	-
2024 Special dividend of HK4 cents per ordinary share paid	-	1,033,984
	<u>1,292,480</u>	<u>1,033,984</u>

The Board did not recommend payment of a final dividend for the year ended 31 December 2025. (2024: final dividend in respect of year ended 2024 of HK5 cents per ordinary share)

13. TRADE AND OTHER RECEIVABLES

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Trade receivables (Note (a))	6,274,180	6,320,638
Allowance for trade receivables	(107,166)	(102,348)
Allowance for price adjustments (Note (b))	<u>(17,203)</u>	<u>(196,100)</u>
	<u>6,149,811</u>	<u>6,022,190</u>
Other receivables	2,245,270	1,582,130
Allowance for other receivables	<u>(387)</u>	<u>(387)</u>
Other receivables, net of allowance (Note (c))	<u>2,244,883</u>	<u>1,581,743</u>
Total trade and other receivables	<u><u>8,394,694</u></u>	<u><u>7,603,933</u></u>

(a) Trade receivables

The Group's trading terms with customers are mainly on credit. The credit term generally ranges from 30 to 45 days (2024: 30 to 45 days) except for the customers in Iraq which were settled by having physical delivery of crude oil on accumulation of balance sufficient enough for cargo lifting. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables, based on the invoice date is as follows:

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
0 to 30 days	4,049,487	3,858,007
31 to 60 days	206,577	254,487
61 to 90 days	646,099	688,384
Over 90 days	<u>1,372,017</u>	<u>1,519,760</u>
	<u><u>6,274,180</u></u>	<u><u>6,320,638</u></u>

(b) Allowance for price adjustments

This represents the provision for the possible price adjustment in gas prices as per the draft gas price notifications submitted to the relevant regulatory authorities in Pakistan in respect of certain gas sales agreements. Since the final price notification has not yet been received from the regulatory authorities, the management had estimated the potential price differential based on the draft notifications and a possible price reduction (excluding royalty expenses) of approximately HK\$17,203,000 (2024: HK\$196,100,000) was provided.

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Other receivables

The details of other receivables, and net of allowance, are as follows:

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Due from joint operators	1,162,989	752,320
Advances to staff	16,735	12,194
Central excise duty receivables	5,384	4,843
Deposits and prepayments	545,707	380,048
Deposits in financial institutions	83,635	-
Government treasury bills	82,592	-
Interest receivables	1,714	-
Sales tax receivables	244,487	171,381
Other tax receivables	3,492	1,989
Withholding tax receivables	1,442	1,334
Amount due from associates (Note (i))	-	194,655
Others	96,706	62,979
	<u>2,244,883</u>	<u>1,581,743</u>

Note:

- (i) As at 31 December 2024, other than due from a former associate of the Group, Orient Group Beijing Investment Holding Limited, of approximately HK\$26,208,000 which interest bearing at a rate of 3 months LIBOR plus 1.7% per annum, unsecured and repayable on or before 29 September 2025, the remaining balances were unsecured, interest-free and repayable on demand.

14. TRADE AND OTHER PAYABLES

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Trade payables (Note (a))	2,021,528	2,139,032
Other payables (Note (b))	7,594,157	7,634,687
Total trade and other payables	<u>9,615,685</u>	<u>9,773,719</u>
Analysed as:		
Current liabilities	9,615,685	8,794,443
Non-current liabilities	-	979,276
Total trade and other payables	<u>9,615,685</u>	<u>9,773,719</u>

14. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
0 to 30 days	1,762,887	761,135
31 to 60 days	84,761	215,777
61 to 90 days	40,603	82,322
Over 90 days	133,277	1,079,798
	<u>2,021,528</u>	<u>2,139,032</u>

(b) Other payables

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Accrual for operating and capital expenses	3,158,578	2,698,622
Due to joint operators	502,877	106,041
Deferred payment for acquisition of a subsidiary	50,458	43,276
Advances from customers (Note (i))	624,000	2,496,000
Salaries and welfare payables	239,277	188,056
Provision for infrastructure funds	1,308,385	867,122
Other tax payables	1,672,674	1,190,292
Others	37,908	45,278
	<u>7,594,157</u>	<u>7,634,687</u>

Note:

- (i) The Group entered into an agreement with a customer for secured crude oil prepayment facilities to the extent of approximately HK\$624,000,000 (equivalent to approximately US\$80,000,000) (2024: HK\$3,120,000,000 (equivalent to approximately US\$400,000,000)). Advances drawn under the facilities bear interest rate at 1.50% plus 3 months Term SOFR per annum (2024: 5.25% plus 3 months Term SOFR per annum), are repayable principally by the delivery of the Group's crude oil entitlement and are secured by the unlimited corporate guarantee of the Company.

15. CONTINGENT LIABILITIES

- (a) For the years ended 31 December 2025 and 2024, the Company issued various unlimited corporate guarantees in favour of the President of the Islamic Republic of Pakistan for providing United Energy Pakistan Limited (“UEPL”) with all necessary financial and other means to enable UEPL to fully perform its obligations as stipulated in the concession agreements.
- (b) Certain subsidiaries of the Group had dispute with the Pakistan government on the applicability of windfall levy on its production of oil and condensate. On 27 December 2017, the government’s approval for the execution of windfall levy was granted and the windfall levy became applicable on the subsidiaries. Based on legal advice from external lawyers, the management believes that the applicability of the windfall levy is prospective, i.e. from the date of the government’s approval. If the applicability of windfall levy is retrospective, further provision for the windfall levy of approximately HK\$191,969,000 (2024: HK\$191,969,000) would be required to be made in the consolidated financial statements for the year ended 31 December 2025.
- (c) As at 31 December 2025, certain subsidiaries of the Group received various tax orders in an attempt to re-assess tax liability for prior years by the Pakistan tax department. The subsidiaries of the Group are currently appealing against these orders and the cumulative potential tax exposure for the pending tax cases was approximately HK\$1,503,437,000 (2024: HK\$898,741,000).
- (d) As at 31 December 2025, bank guarantees to the extent of approximately HK\$55,933,000 (equivalent to approximately US\$7,171,000) (2024: HK\$53,593,000 (equivalent to approximately US\$6,871,000)) in favor of certain government authorities was obtained by certain subsidiaries of the Group to guarantee their exploration, performance and financial obligations as stipulated in the concession agreements.

16. ACQUISITION OF SUBSIDIARIES

(i) Step acquisition of Orient Group Beijing Investment Holding Limited from associates to subsidiaries

On 14 February 2025, the Group entered into a sale and purchase agreement with a related company, Orient Group Industrial and Development Company Limited to acquire 52% issued share capital of Orient Group Beijing Investment Holding Limited (whose name was subsequently changed to UEG Beijing Investment Holding Limited (“UEGBIH”)) and its subsidiaries (“UEGBIH Group”) at a cash consideration of approximately HK\$148,200,000 (equivalent to approximately US\$19,000,000) (the “UEGBIH Acquisition”). The UEGBIH Acquisition was completed on 12 May 2025 (the “UEGBIH Acquisition Date”).

UEGBIH Group is engaged in the development and operation of a 99-megawatt wind power project in Pakistan through its subsidiaries. The UEGBIH Acquisition was made as part of the Group’s strategy to expand its clean energy business sector.

Upon the UEGBIH Acquisition Date, the Group’s equity interest in UEGBIH Group increased from 48% to 100%. UEGBIH Group became the wholly owned subsidiaries of the Group and its results have been consolidated into the financial statements of the Group thereafter.

The Group accordingly remeasured the fair value of its pre-existing interest held in the UEGBIH Group at the UEGBIH Acquisition Date and recognised a gain of approximately HK\$78,912,000. The amount has been recognised under “other gains and losses” in the consolidated financial statements for the year ended 31 December 2025 and the details are as follows:

	HK\$’000
Carrying value of previously held equity interest in UEGBIH Group at the UEGBIH Acquisition Date	74,337
Release of foreign currency translation reserve	30,834
Less: fair value of pre-existing equity interest in UEGBIH Group at the UEGBIH Acquisition Date	<u>(184,083)</u>
Gain on deemed disposal of investment in associates	<u><u>(78,912)</u></u>

(ii) Acquisition of Apex International Energy Holdings I

On 7 February 2025, the Group entered into a share purchase agreement with Apex International Energy L.P. to acquire entire issued share capital of Apex International Energy Holdings I (“AIEH I”) and its subsidiaries (“AIEH I Group”) at a purchase consideration of approximately HK\$1,170,000,000 (equivalent to approximately US\$150,000,000) plus a deferred consideration of approximately HK\$54,600,000 (equivalent to approximately US\$7,000,000) (the “AIEH I Acquisition”). The AIEH I Acquisition was completed on 14 October 2025 (the “AIEH I Acquisition Date”).

AIEH I Group is engaged in explorations and exploitations activities in Egypt through its subsidiaries. The AIEH I Acquisition was made as part of the Group’s strategy to extend and enlarge the Group’s upstream oil and gas business in Egypt.

The purchase price allocation recognised in the financial statements remains provisional as the external valuer has not yet obtained the requisite governmental permit to perform a site inspection of the oil and gas properties situated in a restricted area in Egypt. Consequently, the valuation report has not yet been finalised. The provisional amounts have been determined by management based on the best information available at the reporting date, with the support of the external valuer.

16. ACQUISITION OF SUBSIDIARIES (CONT'D)

The fair value of the identifiable assets and liabilities of UEGBIH Group and AIEH I Group acquired as at respective dates of acquisition are as follows:

	UEGBIH Group HK\$'000	AIEH I Group HK\$'000	Total HK\$'000
<i>Net assets acquired:</i>			
Property, plant and equipment	419,307	575,916	995,223
Right-of-use assets	980	-	980
Intangible assets	173,815	472,989	646,804
Inventories	1,260	20,411	21,671
Trade and other receivables	239,700	1,176,404	1,416,104
Current tax assets	350	-	350
Bank and cash balances	167,725	45,378	213,103
Trade and other payables	(15,963)	(603,799)	(619,762)
Borrowings	(295,718)	-	(295,718)
Lease liabilities	(2,807)	-	(2,807)
Employee retirement benefits obligations	(919)	-	(919)
Deferred tax liabilities	-	(28,224)	(28,224)
	<u>687,730</u>	<u>1,659,075</u>	<u>2,346,805</u>
Gain on bargain purchase	<u>(114,381)</u>	<u>-</u>	<u>(114,381)</u>
	<u>573,349</u>	<u>1,659,075</u>	<u>2,232,424</u>
<i>Satisfied by:</i>			
Cash	148,200	1,220,208	1,368,408
Receivables from UEGBIH Group and AIEH I Group before acquisition	241,066	438,867	679,933
Fair value of pre-existing equity interest in UEGBIH Group at the UEGBIH Acquisition Date	<u>184,083</u>	<u>-</u>	<u>184,083</u>
	<u>573,349</u>	<u>1,659,075</u>	<u>2,232,424</u>
<i>Net cash inflow arising on acquisition:</i>			
Cash consideration paid	(148,200)	(1,220,208)	(1,368,408)
Cash and cash equivalent acquired	<u>167,725</u>	<u>45,378</u>	<u>213,103</u>
	<u>19,525</u>	<u>(1,174,830)</u>	<u>(1,155,305)</u>

The fair value of trade and other receivables acquired is approximately HK\$1,416,104,000. The gross amount due under the contractual is approximately HK\$1,419,110,000, of which approximately HK\$3,006,000 is expected to be uncollectible.

The Group recognised a gain on bargain purchase of approximately HK\$114,381,000 in the business combination. The gain is included in other gains and losses. The gain on bargain purchase is attributable to the increase in fair value of the net assets acquired between the valuation date used for determining the purchase considerations and the UEGBIH Acquisition Date.

16. ACQUISITION OF SUBSIDIARIES (CONT'D)

UEGBIH Group and AIEH I Group contributed turnover of approximately HK\$378,193,000 and profit of approximately HK\$136,209,000 in the period between the respective dates of acquisition and the end of the reporting period. If both UEGBIH Acquisition and AIEH I Acquisition had been completed on 1 January 2025, total Group turnover for the year would have been approximately HK\$20,086,974,000, and profit for the year would have been approximately HK\$1,261,596,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is intended to be a projection of future results.

Costs related to both UEGBIH Acquisition and AIEH I Acquisition of approximately HK\$21,655,000 have been charged to administrative expenses in the consolidated financial statements for the year ended 31 December 2025.

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting date, geopolitical tensions in the Middle East have intensified following recent military actions and retaliatory responses in the region. Management is closely monitoring the situation, as the evolving environment may increase risks related to regional security, logistics, and energy supply, which could impact operations.

Potential disruptions to key supply routes, including the Strait of Hormuz, may affect global supply chains and commodity prices; however, the extent and duration of such impacts remain uncertain. As at the reporting date, there has been no material impact on the Group's operations, other than a temporary curtailment of production in Iraq in coordination with local governing authorities.

Given the uncertainty, it is not currently possible to reliably estimate any financial impact. Accordingly, no adjustments have been made to the consolidated financial statements, as these events are considered non-adjusting subsequent events.

Management will continue to monitor developments and assess potential implications for operations, financial position and performance.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is one of the largest listed integrated energy companies in Hong Kong, with business presence in South Asia, MENA and Europe. It is principally engaged in upstream oil and natural gas, clean energy and energy trading businesses. Leveraging management's extensive experience in oil and gas sector, the Group has successfully expanded its footprint to become a key player in the energy industry. Over the years, it has built a solid and diversified portfolio through strategic acquisitions and capital investments.

According to the IMF's January 2026 World Economic Outlook Update, global growth is estimated at 3.3% in 2025, compared with 3.2% in 2024. Trade policy uncertainty, geopolitical tensions (Middle East, Ukraine, etc.) and fiscal instability in some regions weighed on growth. World oil demand was estimated to have increased by 1.30 mmbbl/d year-on-year to an average of 105.1 mmbbl/d in 2025 as reported by the OPEC Monthly Oil Market Report of January 2026. Oil prices declined amid over supply with average Brent Oil Price in 2025 at US\$ 69.14/bbl, representing a 14% decrease from US\$80.52/bbl in 2024, according to data from U.S. Energy Information Administration. The Group recorded net profit attributable to shareholders for the reporting period of approximately HK\$1,117,131,000, a 28.3% decrease from HK\$1,558,132,000 in last year, primarily due to decrease in average realized sales price of crude oil and liquids during the reporting period.

The Group's Cost of sales for the reporting period was approximately HK\$15,810,093,000, and the Group invested approximately HK\$5,277,116,000 of capital expenditure in oil exploration, development and production activities. The Group drilled 50 wells during the reporting period, including 12 wells in Pakistan Assets and 38 wells in MENA Assets.

Business Strategy

As one of the largest listed integrated energy companies listed in Hong Kong, the Group is mainly engaged in exploration, development, production and sale of oil and natural gas. Principal elements of its strategy are as follows:

Focus on reserve growth and production increase

The Group remains committed to strategic exploration across its key operational areas, ensuring a well-planned and systematic approach to reserve expansion. Through effective exploration strategies and execution, the Group achieved reserve additions during the year. In mature oil and gas fields, targeted operational measures successfully sustained production levels, while newly drilled development wells contributed to incremental output with a high success rate. The Group continues to manage its oil and gas assets sustainably, diversifying its portfolio across different stages of the value chain. Looking ahead, significant discoveries are anticipated in new exploration locations and prospective technical research plays, further strengthening future growth potential.

Maximizing the potential of existing assets

With core operations in Pakistan, Iraq, and Egypt, the Group leverages its high-quality asset base under the guidance of a seasoned management team. Its vision is to replicate past successes by applying proven expertise to newly acquired exploration blocks, ensuring a sustainable and scalable growth strategy for its asset portfolio.

Driving high-quality development

The Group is committed to sustainable, efficient, cost-effective, and environmentally responsible asset development. In addition to optimizing its existing operations, the Group actively pursues opportunities in clean and low-carbon energy, aiming to create synergies between its core business and renewable energy initiatives to support long-term growth.

Maintaining a prudent financial policy

A disciplined and prudent financial policy remains fundamental to the Group's long-term success. It continues to streamline processes, enhance operational efficiency, optimize costs, and uphold disciplined investment decisions, reinforcing its low-cost strategy and competitive edge. Cash flow and indebtedness management are systematically structured to ensure a healthy financial position, providing stability and flexibility for future growth.

Exploration

In 2025, the Group continued its efforts in oil and gas exploration. Guided by a value-driven philosophy, and focus on the exploration and discovery of small and prolific oil and gas fields, 6 commercial discoveries were achieved of which 3 were in Pakistan and 3 in Egypt. By maintaining a balanced investment strategy, it continued to support exploration activities, ensuring sustainable growth and long-term development.

The Group holds the largest exploration and production footprint of any foreign oil and gas company in Pakistan, spanning approximately 27,609 km² (including 5,639 km² non-operated), with ongoing initiatives to further expand its presence across the country. Exploration breakthroughs and commercial discoveries were achieved in Badin and Kotri North blocks, with production addition in mature fields. Within six months of the Sawan South block award, two back-to-back wells were spud, leading to discoveries that established commercial production. Activities across the new blocks progressed through 2025, alongside the advancement of two high-risk, high-reward exploration wells in Sawan South and the completion of drilling for the first exploration well in the Kuhan block of Pakistan. Egypt's exploration acreage increased from 1,583 km² to 5,146 km² upon the successful completion of the Apex acquisition.

Engineering Construction

In 2025, the Group strategically allocated operational resources and effectively advanced engineering construction projects. Through meticulous planning and efficient management, the Group successfully completed its production support and facility modification projects, ensuring the achievement of production and reserve targets while delivering significant economic benefits.

In Iraq, a significant milestone was achieved by the laying of 72 km Gas and LPG flowline. Natural gas CPF started Gas and LPG sales in June 2025. These projects have laid a solid foundation for further production capacity ramp-up in Block 9. Other major projects in Iraq also progressed as per schedule.

In mature assets, the Group adopted innovative measures for process optimization, efficiency enhancement, energy conservation, and emission reduction, yielding tangible benefits from facility upgrades and renovations. In Pakistan, the successful implementation of a significant compression project improved production efficiency and optimized asset value. Meanwhile, in Egypt, the transition to power sourced from the national electrical grid progressed smoothly across most assets. This initiative delivered optimized operating costs, reduction in diesel consumption, and a partial elimination of rented generators. It further enhanced facility efficiency, performance, and safety, while strengthening workplace health, safety, and sustainability.

Development and Production

For the year ended 31 December 2025, the Group's (excluding Apex) average daily gross production was approximately 188,748 boed (MENA Assets (excluding Apex) – 145,461 boed plus Pakistan Assets – 43,287 boed), a 4.5% increase compared to approximately 180,554 boed last year. Gross accumulated production was approximately 68.89 mmboe, a 4.3% increase compared to approximately 66.08 mmboe last year. At the same time, the Group's (excluding Apex) average working interest production was 112,568 boed (MENA Assets (excluding Apex) – 81,958 boed plus Pakistan Assets – 30,610 boed), a 4.2% increase compared to approximately 108,079 boed last year. Working interest accumulated production (excluding Apex) was approximately 41.09 mmboe, a 3.9% increase compared to approximately 39.56 mmboe last year. In 2025, Group actively managed decline rate of mature fields coupled with new exploration successes, contributing to sustained production with a slight increase.

For Apex, average daily gross production was 11,298 boed post-acquisition i.e. 14 October 2025 to 31 December 2025, with average working interest production of 10,275 boed.

Iraq's Upstream Oil and Gas Business

The Group holds a 60% participating interest in the EDPSC and is the Operator of Block 9 in Iraq. In 2025, average daily gross and working interest production was approximately 105,184 boed and 63,111 boed respectively, an increase of 21.1% compared to last year. Accumulated gross and working interest production for the year was approximately 38.39 mmboe and 23.04 mmboe respectively. Block 9 has an oil and liquids ratio of 98%.

The Group also holds a 30% participating interest in the GDPSC and is the Operator of Siba block in Iraq. Average daily gross and working interest production in 2025 was approximately 26,006 boed and 7,802 boed respectively, a slight increase over last year. Accumulated gross and working interest production was approximately 9.5 mmboe and 2.8 mmboe respectively. Siba has an oil and liquids ratio of ~66%.

In 2024, the Group acquired a 100% participating interest in FAO Block. First exploration well was drilled in 2025 and achieved commercial discovery. Further work is in progress.

Pakistan's Upstream Oil and Gas Business

As of 31 December 2025, the Group holds interests in 20 blocks of which 13 are exploration licenses for oil and gas production in Pakistan.

In 2025, Pakistan Assets achieved an average daily gross and working interest production of approximately 43,287 boed and 30,610 boed respectively; a decrease of ~ 16% compared to last year. Pakistan Assets have an oil and liquids ratio of ~21.8% which was 2.6% lower than last year. Accumulated gross production and working interest production for the full year was approximately 15.8 mmboe and 11.2 mmboe respectively.

Egypt's Upstream Oil and Gas Business

The Group holds interests in five blocks in Egypt (excluding Apex). It has a 100% participating interest in Burg El Arab and West Wadi El Natrun. Participating interest in Area A, Abu Sennan and East Ras Qattara are 70%, 32.05% and 49.5% respectively. The Group is Operator of all these blocks, except for East Ras Qattara. In 2025, average daily gross and working interest production was approximately 14,271 boed and 11,045 boed respectively, a decrease of 10.1% and 4.5% compared to last year. Accumulated gross production and working interest production for the year were approximately 5.2 mmboe and 4.0 mmboe respectively. Egypt Assets have an oil and liquids ratio of ~98%.

The Group completed acquisition of Apex on 14 October 2025, which has a 100% participating interest in merged concession agreement. Participating interest in East Obaiyed, Southwest Meleiha, Ras Qattara and West Abu Gharadig are 25%, 25%, 75% and 45% respectively. The Group is Operator of Ras Qattara and West Abu Gharadig. From 14 October 2025 to 31 December 2025, average daily gross and working interest production was approximately 11,298 boed and 10,275 boed respectively. Accumulated gross production and working interest production were approximately 0.9 mmboe and 0.8 mmboe respectively. Apex has an oil and liquids ratio of ~93%.

With the addition of Apex, the Group now manages a broader and more diversified portfolio in Egypt. This strategic expansion positions the Group among the top five international oil producers in the country, enhancing its scale, cash generation capacity, and resilience against natural production decline.

CORE STRENGTHS

1. *Successful exploration program and solid resources base*

During the year, the Group delivered 6 commercial discoveries, bolstering its reserve base and underpinning long-term production growth. Sustaining a steady production growth trajectory, the Group retains a reserve life of over 15 years, establishing a solid foundation for future sustainability and development.

2. *Rapid development of large-scale oilfields and increased production capacity*

In Block 9, the Group reached key milestones with the installation of a 72 km Gas and LPG flowline. The natural gas CPF commenced Gas and LPG sales in June 2025. These projects have laid a solid foundation for further production capacity ramp-up. Achieved via close collaboration with the Group's partners, these milestones enable safe, timely, and efficient production increase.

3. *Significant low-cost advantage and strong financial performance*

The Group remains committed to efficient business management, thereby maintaining an industry-leading low-cost advantage. Operating expenses continue to be well-controlled, supporting strong cash flow generation. With a stable financial position and a low gearing ratio, the Group has a solid foundation for future growth and expanded financing capacity.

4. *Industry-leading HSSE performance*

Operational safety is a top priority for the Group. Key HSSE metrics remain at industry-leading levels. A comprehensive risk prevention and control system, reinforced by a robust safety inspection mechanism, ensures the highest standards of workplace safety and environmental responsibility.

5. *Advancing a lower-carbon future*

In alignment with global carbon reduction initiatives and the energy transition, the Group has adopted a dual-pronged strategy to advance both traditional hydrocarbons and clean energy businesses. Its clean energy portfolio includes solar and wind projects, with additional opportunities being explored through cutting-edge technologies and innovative solutions to drive a more sustainable energy future.

6. *Commitment to social responsibility*

The Group regards its employees as its most important asset, fostering a diverse workforce comprising multiple nationalities, cultures, and religions. Committed to social development in local communities, the Group actively invests in education, healthcare, and vocational training programs, driving sustainable income generation in the regions where it operates.

7. *Strategic acquisition to expand asset scale and regional footprint*

The Group completed the acquisition of Apex in Egypt on 14 October 2025, significantly expanding its asset base and strengthening its position in the core MENA region. This strategic move has broadened the Group's resource portfolio, enhanced production scale, and unlocked new growth opportunities; it has also doubled the Group's production and reserves in Egypt and elevated the Group to the top five international oil producers in the country, further solidifying its long-term value creation potential in the MENA region.

SALES AND MARKETING

Sales of Crude Oil

The Group sells crude oil and condensate produced in Pakistan and Iraq primarily through traders in the international market. The Group's crude oil sales price is mainly determined by the prices of international crude oil of similar quality, with certain adjustments subject to prevailing market conditions. Prices are quoted and settled in US dollars with Brent Oil Price as a basis. Regarding Egyptian Assets, as per the articles of PSC in Egypt, the Group sells crude oil to Egyptian General Petroleum Corporation ("EGPC") at a price determined under the PSC, generally at a small discount to Brent Oil Price.

In 2025, the Group's total working interest crude and condensates sale volumes are 31.2 mmboe, representing a year-on-year increase of 10.6%, its average realized oil price (before government royalty, windfall levy, government take and other income – tax entitlement volumes at working interest production) was approximately US\$65.90/bbl, representing a year-on-year decrease of 12.8%, mainly due to the decrease in Brent Oil Price.

Sales of Natural Gas

The Group's natural gas sales price in Pakistan is based on negotiated long-term sales agreements. Contract terms normally include a price review mechanism which links the price of natural gas sold to crude oil prices. The Group's natural gas customers in Pakistan are primarily government owned entities including Sui Southern Gas Company Limited. The Group's natural gas customer in Iraq is Basra Oil Company with oil lifting arrangements.

In 2025, the Group's total working interest natural gas sale volume was 10.3 mmboe, representing a year-on-year decrease of 7.2%. Its average realized gas price (before government royalty, windfall levy and government take at working interest production) was approximately US\$34.5/boe, representing a year-on-year increase of 15.0%, mainly due to higher realized prices following the settlement of pricing dispute and the recognition of revenue under a more favorable price regime.

Sales of Energy Products

The Group's energy trading business actively engaged in the trading of energy products and the optimization of cargo liftings in Iraq. Trading activities were conducted with prominent international counterparts, including BP, Total, Trafigura, Repsol, Aramco, Spanish Petroleum Company, S.A., Itochu, PTT Public Company Limited, and others. Pricing was primarily based on the international benchmark prices of energy products with comparable quality, subject to adjustments reflecting prevailing market conditions.

In 2025, the Group's total energy products trading volume was 2,523,655 tons and its average realized price was approximately US\$487.09/tons.

FINANCIAL RESULTS

Financial Review

For the year ended 31 December 2025 (the “reporting period”), the Group reported a profit attributable to the owners of the Company of approximately HK\$1,117,131,000, compared to profit of approximately HK\$1,558,132,000 for the year ended 31 December 2024 (“last year”), decreased 28.3%. The decrease in net profit was primarily due to decrease in average realised sales price in crude oil and liquids during the reporting period and the increase in total oil and gas assets impairment of approximately HK\$416,239,000 (2024: HK\$166,286,000) (net of tax) and exploration dry well write-off approximately HK\$210,259,000 (2024: HK\$306,335,000) (net of tax) in current year.

During the reporting period, the Group’s average daily working interest production was approximately 122,843 boed (Pakistan Assets of 30,610 boed plus MENA Assets of 92,233 boed) compared to approximately 108,079 boed (Pakistan Assets of 36,627 boed plus MENA Assets of 71,452 boed) of last year, increased by 13.7%. The Group aggressively managed decline rate of mature oil fields, meanwhile, new exploration successes and new acquisition contributed to production increase. The average realised oil and gas price (before government royalty, windfall levy, government take and other income – tax entitlement volumes at working interest production) was approximately US\$58.09/boe, compared to approximately US\$62.58/boe of last year, representing a decrease of 7.2%.

Turnover

	<u>2025</u> HK\$'000	<u>2024</u> HK\$'000
Exploration and production	9,429,334	10,130,078
Trading	9,588,129	7,664,387
Clean energy business	173,807	-
	<u>19,191,270</u>	<u>17,794,465</u>

The Group’s turnover for the reporting period was approximately HK\$19,191,270,000, representing an increase of 7.8% as compared with the turnover of approximately HK\$17,794,465,000 of last year. The increase in turnover was mainly contributed by the effect of the increased trading business and new clean energy business but partially offset by the decrease in average realised sales price in crude oil and liquids during the reporting period.

Exploration and Production Category		Year 2025	Year 2024	Change	
Oil and gas sales*	USD'000	2,436,913	2,477,102	-40,189	-1.6%
Crude oil and liquids	USD'000	2,059,575	2,130,053	-70,478	-3.3%
Natural gas	USD'000	356,358	333,733	+22,625	+6.8%
LPG	USD'000	20,980	13,316	+7,664	+57.6%
Sales Volume	mmboe	41.9	39.6	+2.3	+5.8%
Crude oil and liquids	mmboe	31.2	28.2	+3.0	+10.6%
Natural gas	mmboe	10.3	11.1	-0.8	-7.2%
LPG	mmboe	0.4	0.3	+0.1	+33.3%
Realised prices*	US\$/boe	58.09	62.58	-4.49	-7.2%
Crude oil and liquids	US\$/bbl	65.90	75.54	-9.64	-12.8%
Natural gas	US\$/boe	34.50	30.00	+4.50	+15.0%
LPG	US\$/boe	57.33	51.37	+5.96	+11.6%

* turnover before accounting for government royalty, windfall levy, government take and other income – tax entitlement volumes (at working interest quantity)

Cost of sales

Operating expenses for exploration and production activities

The Group's operating expenses for exploration and production activities (which is defined as the cost of sales excluding depreciation and amortisation and distribution expenses) increased 13.4% to approximately HK\$1,533,724,000 in 2025, compared with approximately HK\$1,352,643,000 in 2024. The operating expenses per boe (at working interest production) was approximately US\$4.69 in 2025, compared with approximately US\$4.38 in 2024, increased by 7.1%. For Pakistan Assets, operating expenses per boe was approximately US\$6.16, increased by 19.4% (last year: approximately US\$5.16 per boe); while for MENA Assets, operating expense per boe was approximately US\$4.15, increased by 4.3% (last year: approximately US\$3.98 per boe).

Depreciation, depletion and amortisation

Included in the cost of sales, the depreciation, depletion and amortisation was approximately HK\$4,676,000,000, representing a decrease of 10.3% as compared with the amount of approximately HK\$5,215,320,000 in last year.

Gross profit

The Group's gross profit for the reporting period was approximately HK\$3,381,177,000 (gross profit ratio 17.6%) which represented a decrease of 5.4% as compared with gross profit of approximately HK\$3,573,192,000 (gross profit ratio 20.1%) for the last year. The decrease in gross profit was mainly due to lower average realised price during the year compared to last year.

Exploration expenses

The Group's exploration expenses for the reporting period was approximately HK\$382,591,000 (last year: approximately HK\$577,194,000) which included the expenses for performance of geological and geophysical studies, surface use rights and the written off loss of approximately HK\$285,369,000 (last year: approximately HK\$444,298,000) arising from dry exploration wells in Pakistan and Egypt Assets.

Administrative expenses

The Group's administrative expenses for the reporting period was approximately HK\$851,599,000 (last year: approximately HK\$700,501,000) representing 4.4% (last year: 3.9%) of the turnover.

Finance costs

The Group's finance costs for the reporting period was approximately HK\$321,325,000, which represented a decrease of 8.5% as compared with the finance costs of approximately HK\$351,143,000 for last year. The decrease in finance costs was mainly due to there was one-off amortisation effect of upfront fee upon repayment of borrowings in corresponding period, and lower weighted average loan balance during the reporting period compared to last year. The weighted average interest rate of borrowings for the reporting period was 9.94% (last year: 11.47%).

Income tax expense

The Group's income tax expense for the reporting period was approximately HK\$179,695,000. This included the current income tax of approximately HK\$812,248,000 and deferred tax income of approximately HK\$632,553,000, compared with current income tax of approximately HK\$779,967,000 and deferred tax income of approximately HK\$607,560,000 for the last year respectively. The Group's effective tax rate for the reporting period was approximately 13.9% (last year: 10.0%). The increase in effective tax rate is mainly due to lesser reversal of overprovision of tax in respect of prior years for the current reporting period upon a favorable determination from tax bureau and an additional top up tax provision for Pillar Two model rules approximately HK\$41,729,000 was made during the year.

Net cash related to operating activities

The Group's net cash inflow from operating activities for the reporting period was approximately HK\$6,162,796,000, representing a decrease of 17.0% as compared with the last year of approximately HK\$7,425,999,000, mainly due to decrease in average realised sales price in crude oil and liquids during the reporting period.

Net cash related to investing activities

In 2025, the Group's net cash used in investing activities increased by 1.9% to approximately HK\$6,348,133,000 from last year, mainly comprise of the development expenditure of approximately HK\$5,262,550,000 for the reporting period with an overall decrease of 11.8% as compared to last year and net payment for acquisition of subsidiaries of approximately HK\$1,155,305,000 during the reporting period.

Net cash related to financing activities

In 2025, the net cash generated from financing activities was approximately HK\$951,259,000, mainly represented the drawdown of bank loan of approximately HK\$3,400,792,000, repayment of bank loans of approximately HK\$384,540,000, drawdown of prepayment facilities of approximately HK\$624,000,000, repayment of prepayment facilities of approximately HK\$1,248,000,000 and the payment of dividend of approximately HK\$1,292,480,000.

Dividend

No final dividend is proposed by the Board for the year ended 31 December 2025 (last year: HK5 cents per share).

OTHER FINANCIAL INFORMATION

To supplement our consolidated results which are prepared and presented in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certificate Public Accountants ("HKICPA"), we utilize non-HKFRS EBITDA and adjusted EBITDA as an additional financial measure.

EBITDA and adjusted EBITDA are not required by, or presented in accordance with HKFRS Accounting Standards. We believe that the presentation of non-HKFRS measures when shown in conjunction with the corresponding HKFRS measures provides useful information to investors and management regarding financial and business trends in relation to our financial condition and results of operations, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and the impact of non-recurring transactions. We also believe that the non-HKFRS measures are appropriate for evaluating the Group's operating performance. However, the use of this particular non-HKFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRS Accounting Standards. In addition, this non-HKFRS financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

The following table set forth reconciliations of the Group's non-HKFRS measures for the years ended 31 December 2025 and 2024 to the nearest measures prepared in accordance with HKFRS Accounting Standards.

	Note	2025 HK\$'000	2024 HK\$'000
Profit for the year		1,117,119	1,558,118
<i>Adjustments:</i>			
Amortisation of intangible assets	9	232,775	334,529
Depreciation	9	4,523,669	4,934,076
Depreciation on right-of-use assets	9	71,707	94,480
Finance costs	8	321,325	351,143
Income tax expense	10	179,695	172,407
EBITDA		6,446,290	7,444,753
<i>Adjustments:</i>			
Property, plant and equipment written off in other gains and losses	6	-	21,718
Property, plant and equipment written off in exploration expenses	9	285,369	444,298
Impairment losses on investment in associates	6	-	211,087
Impairment losses on intangible assets	6	761,012	8,528
Impairment losses on property, plant and equipment	6	165,081	212,083
Share of losses/(profits) of associates		29,223	(56,623)
Gain on disposals of property, plant and equipment	6	(2,216)	(9,850)
Gain on lease modification	6	(211)	(671)
Gain on bargain purchase	6	(114,381)	-
Gain on deemed disposal of investment in associates	6	(78,912)	-
Deemed gain on increase in interest of a joint operation	6	-	(89,908)
Other income – tax entitlement volumes	4	(209,580)	(271,541)
Impairment losses on trade receivables	6	4,818	78,000
Adjusted EBITDA		7,286,493	7,991,874

EBITDA is calculated as the profit for the year, adjust for finance costs, income tax expense, amortisation of intangible assets, depreciation and depreciation on right-of-use assets.

Adjusted EBITDA is calculated as the profit for the year, adjust for finance costs, income tax expense, amortisation of intangible assets, depreciation, depreciation on right-of-use assets, property, plant and equipment written off, impairment losses on investment in associates, intangible assets and property, plant and equipment, share of losses/profits of associates, gain on disposals of property, plant and equipment, gain on lease modification, gain on bargain purchase, gain on deemed disposal of investment in associates, deemed gain on increase in interest of a joint operation, other income – tax entitlement volumes and impairment losses on trade receivables.

The adjusted EBITDA for the reporting period was approximately HK\$7,286,493,000, decreased by 8.8% from the last year of approximately HK\$7,991,874,000. The decrease in adjusted EBITDA was mainly attributable to the decrease in average net realised sales price during the reporting period.

Business and market outlook

According to the recent IMF forecast in January 2026, growth is projected to remain resilient at 3.3 percent in 2026 and at 3.2 percent in 2027. Global headline inflation is expected to decline from an estimated 4.1 percent in 2025 to 3.8 percent in 2026 and further to 3.4 percent in 2027. Global oil demand is forecasted to increase by 1.40 mmbbl/d to average of 106.5 mmbbl/d, as per OPEC Monthly Market Report of March 2026.

The escalation of the U.S.-Iran conflict since late February 2026 has introduced significant uncertainty to global energy markets. Disruptions to traffic through the Strait of Hormuz have tightened supply conditions and contributed to higher oil prices. The Group continues to closely monitor developments and assess potential impacts on its operations.

For 2026, the Group targets an average daily gross production of 179,000 to 213,000 boed, and an average daily working interest production of 105,400 to 125,300 boed. Capital expenditure is anticipated to fall within the range of US\$500–650 million, which is essential to support exploration, development and construction plans of the Group. It aims to continue with its financial discipline and manage capital expenditure to a possible extent through optimization of its exploration and development plans. Furthermore, the Group maintains a strong emphasis on rigorous cash flow management and prudent financial stewardship to preserve enduring financial stability, robust strength, and operational agility.

MENA Assets' Upstream Oil and Gas Business:

The MENA region possesses some of the world's largest proven oil and gas reserves, characterized by abundant, low-cost resources, extended reserve lives, and substantial development potential. The Group's MENA assets are highly complementary to its existing portfolio and will deliver a sustainable development profile over the next two decades. As per reserve report issued by independent reserve auditor as of 31 December 2025, MENA Assets reported 2P working interest reserve of 599.3 mmboe with almost 94.5% located in Iraq. The Group will leverage its strong financial capability to further unlock the potential of MENA Assets and replicate its past success story in the MENA region. Average daily gross production of Block 9 in Iraq is expected to ramp up. Gas production of Siba in Iraq is expected at a sustainable plateau production target. Post the successful acquisition of Apex, the Group's Egypt production and reserve significantly increased the Group's production and reserves in Egypt, which is expected to further enhance its financial contribution significantly to the Group in 2026 and beyond.

In 2026, Iraq Assets are expected to achieve an average daily working interest production of 62,000 to 75,200 boed, whereas Egypt Assets will achieve an average daily working interest production of 19,100 to 23,300 boed.

Pakistan Assets' Upstream Oil and Gas Business:

According to an energy outlook report prepared by Ministry of Planning, Development and Special Initiatives Government of Pakistan, gas demand is expected to increase from approximately 3.56 bcfd in 2020 to approximately 4.24 bcfd in 2030. On the supply side, domestic production is expected to decline from approximately 3.69 bcfd in 2020 to approximately 2.18 bcfd by 2030. Gas shortage in Pakistan is mitigated by importing significantly more expensive LNG from the neighboring countries. Given Group's production is predominantly in gas, its sale of natural gas is expected to continue to be absorbed by state-owned gas buyers. The Group continues to leverage its experience and understanding of the geology and geophysics in Lower Indus Basin, Middle Indus Basin, Kirthar and Suleman Fold Belt of Pakistan to unlock the potentials of these assets. The Group's exploration and production footprint is the largest among all foreign oil and gas companies in Pakistan, covering an acreage of ~27,609 km². Besides, efforts are in place to further expand its footprint in Pakistan.

For Pakistan Assets, the Group plans to achieve an average daily working interest production of 24,300 to 26,800 boed in 2026.

Conclusion

The Group delivered a resilient performance in 2025, underpinned by stable production growth, successful exploration outcomes, disciplined financial management and the strategic expansion of its Egypt portfolio through the Apex acquisition. These achievements have further enhanced the Group's scale, asset quality and long-term growth platform. Looking ahead, while the external environment remains subject to geopolitical and market uncertainties, the Group will continue to focus on operational excellence, prudent investment, portfolio optimization and sustainable development across its oil and gas and clean energy businesses. With its diversified asset base, experienced management team and strong financial position, the Group remains confident in its ability to create sustainable long-term value for shareholders.

Liquidity and Financial Resources

During the reporting period, the Group continues to maintain a strong financial position, with bank and cash balances amounting to approximately HK\$3,685,528,000 as at 31 December 2025 (31 December 2024: approximately HK\$2,935,796,000).

The Group borrowings are noted below. These are from the banks and other trading commodity corporation, which show lenders confidence in the Group financial strength and its future plans.

	Principal amount outstanding at 31 December 2025	
	US\$	Equivalent to HK\$
Term loans	463,200,000	3,612,960,000
Prepayment facilities	80,000,000	624,000,000
	543,200,000	4,236,960,000

As at 31 December 2025, the gearing ratio was approximately 15.3% (31 December 2024: 11.6%), based on borrowings, advance from customers, and lease liabilities under current liabilities and non-current liabilities of approximately HK\$1,555,595,000 (31 December 2024: approximately HK\$1,845,348,000) and approximately HK\$2,900,200,000 (31 December 2024: approximately HK\$1,180,702,000) respectively and total assets of approximately HK\$29,138,820,000 (31 December 2024: approximately HK\$26,120,400,000). As at 31 December 2025, the current ratio was approximately 1.01 times (31 December 2024: approximately 1.01 times), based on current assets of approximately HK\$12,357,537,000 (31 December 2024: approximately HK\$10,832,994,000) and current liabilities of approximately HK\$12,270,679,000 (31 December 2024: approximately HK\$10,768,648,000).

As at 31 December 2025, the Group's total borrowings amounted to approximately HK\$3,537,181,000 (31 December 2024: approximately HK\$233,775,000), all of them are denominated in United States dollars. The weighted average interest rate of the borrowings as at 31 December 2025 was 9.81% (31 December 2024: 8.61%).

As at 31 December 2025, the Group's property, plant and equipment, right-of-use assets, intangible assets, advance, deposits and prepayment, trade and other receivables, inventory and bank balances, with total carrying value of approximately HK\$12,104,748,000 (31 December 2024: approximately HK\$1,682,181,000) and share charges in respect of the equity interests of certain subsidiaries were pledged to secure the Group's general banking facilities, finance lease, trade and other payables and exploration, performance and financial obligations of the Group.

The Group is continuously exploring opportunities to optimise its capital structure, including the debt portfolio, to support organic, as well as inorganic growth, and will over the coming 12-month period explore opportunities for tapping the international debt capital markets, including the possibility to issue a corporate bond.

Material Acquisitions and Disposal

Save as disclosed in note 16 of the Notes to Consolidated Financial Statements in this announcement, the Group and the Company do not have other material acquisition and disposal during the reporting period.

Segment Information

Particulars of the Group's segment information are set out in note 7 of the Notes to Consolidated Financial Statements in this announcement.

Capital Structure

During the reporting period, the total number of issued shares of the Company (including treasury shares) was 26,040,504,786 shares as at 1 January 2025 and 31 December 2025 and the total number of issued shares of the Company (excluding treasury shares) was 25,849,594,786 shares as at 1 January 2025 and 31 December 2025.

Employees

As at 31 December 2025, the Group employed a total of 2,356 full time employees in Hong Kong, PRC, Pakistan, Dubai and other MENA locations. Employees' remuneration package is reviewed periodically and determined with reference to the performance of the individual and the prevailing market practices. Remuneration package included basic salaries, year-end bonus, medical and contributory provident fund.

Contingent Liabilities

Particulars of the Group's contingent liabilities are set out in note 15 of the Notes to Consolidated Financial Statements in this announcement.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's monetary assets and transactions are mainly denominated in United States dollars and Hong Kong dollars, which are relatively stable. Other currency involved include Renminbi, Pakistani Rupee, Iraqi Dinar and Egyptian Pound which exchange rate impact is not considered significant. The Group did not use financial instruments for hedging purposes during the reporting period and will continue to monitor impact of any exchange fluctuations and take appropriate action to prevent any exposure to the Group.

Major Customers and Suppliers

In 2025, the Group's five largest customers represented 81.7% of total turnover (2024: 83.5%) and the Group's five largest suppliers represented 49.4% of total cost of sales (2024: 53.5%).

EVENTS AFTER THE REPORTING PERIOD

Particulars of the Group's events after the reporting period are set out in note 17 of the Notes to Consolidated Financial Statements in this announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2025.

AUDIT COMMITTEE

The Audit Committee has reviewed the draft audited consolidated financial statements for the year ended 31 December 2025. The Audit Committee has also discussed with management and reviewed the accounting principles and practices adopted by the Group, as well as risk management, internal control and financial reporting matters, and found them to be satisfactory.

OTHER COMMITTEE

Besides the Audit Committee, the Board has also established Remuneration Committee and Nomination Committee. Each Committee has its defined scope of duties and written terms of reference.

DISTRIBUTION RESERVES

As at 31 December 2025, the aggregate amounts of the Company's reserves available for distribution to equity shareholders of the Company was approximately HK\$5,109,968,000 (31 December 2024: approximately HK\$6,402,448,000).

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Friday, 5 June 2026 (the "AGM"). A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The AGM of the Company will be held on Friday, 5 June 2026. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 1 June 2026 to Friday, 5 June 2026, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar 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 Friday, 29 May 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. Having made specific enquiry with all Directors, each of whom has confirmed compliance with the required standard set out in the Model Code during the year ended 31 December 2025.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the code provisions as set out in the CG Code set out in Appendix C1 to the Listing Rules during the year ended 31 December 2025 except that.

- the CG Code Part 2 C.2.1 — the Company has the post of chief executive officer but it was still vacant;

CG Code Part 2 C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although the Company has separated the duties between the chairman and chief executive officer, the post of the chief executive officer is still vacant. In this connection, the executive function of the Company is performed by the executive Directors and management of the Company. Thus, significant decision of the Company is made by the Board. The Board considers that such structure will not affect the balance of power and authority between the chairman and the executive Directors.

SCOPE OF WORK OF AUDITOR

The figures in respect of the preliminary announcement 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 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, RSM Hong Kong ("RSM"), to the amounts set out in the Group's draft audited consolidated financial statements for the year. The work performed by RSM in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The 2025 annual report will be despatched to the Shareholders and available on the Company's website at www.ueg.com and HKEx news website at www.hkexnews.hk in due course.

By Order of the Board
United Energy Group Limited
Song Yu
Chairman

Hong Kong, 31 March 2026

As at the date of this announcement, the Board of the Company comprises the following directors:

Executive directors:

Mr. Song Yu (Chairman) and

Mr. Chiu Ping Shun

Non-executive director:

Mr. Yiu Chi Shing (Vice Chairman)

Independent non-executive directors:

Mr. San Fung, Mr. Sun Chuen Wah Anthony and

Ms. Tang Yuen Ching Irene

GLOSSARY AND DEFINITION

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings.

General Terms:

“AGM”	annual general meeting of the Company
“Apex Assets” or “Apex”	assets in Egypt area engaged Upstream business, held by Apex International Energy Holdings I
“Board”	board of directors of the Company
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China
“Company”	United Energy Group Limited
“CSR”	corporate social responsibility
“Director(s)”	director(s) of the Company
“Egypt Assets”	assets in Egypt area engaged in Upstream business
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of China
“HSSE”	health, safety, security and environment
“IMF”	International Monetary Fund
“Iraqi Assets”	assets in Iraq area engaged in Upstream business
“KEC”	Kuwait Energy PLC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MENA”	Middle East and North Africa
“MENA Assets”	assets in MENA engaged in Upstream business, including Iraqi Assets and Egypt Assets
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“OPEC”	Organisation of the Petroleum Exporting Countries
“Pakistan Assets”	assets in Pakistan area engaged in Upstream business
“PSU Scheme”	the performance share unit scheme adopted by the Company on 1 April 2019
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$” or “US dollars”	the lawful currency of the United States of America

Technical Terms:

“1P”	proved reserve
“2P”	proved plus probable reserve
“bbl”	barrel
“bcfd”	billion cubic feet per day
“boe”	barrels of oil equivalent
“boed”	barrels of oil equivalent per day
“CPF”	Central processing facilities
“EDPSC”	Exploration Development and Production Service Contract
“FDP”	field development plan
“GDPSC”	Gas Development and Production Service Contract
“GW”	gigawatt
“LNG”	liquefied natural gas
“LPG”	liquefied petroleum gas
“mmbbld”	million barrels per day
“mmboe”	million barrels of oil equivalent
“Operator”	the entity designated by the working interest owners to carry out the joint operations pursuant to the relevant agreement among them
“PSC”	profit sharing contract
“Upstream business” or “E&P”	oil and gas exploration, development, production and sales