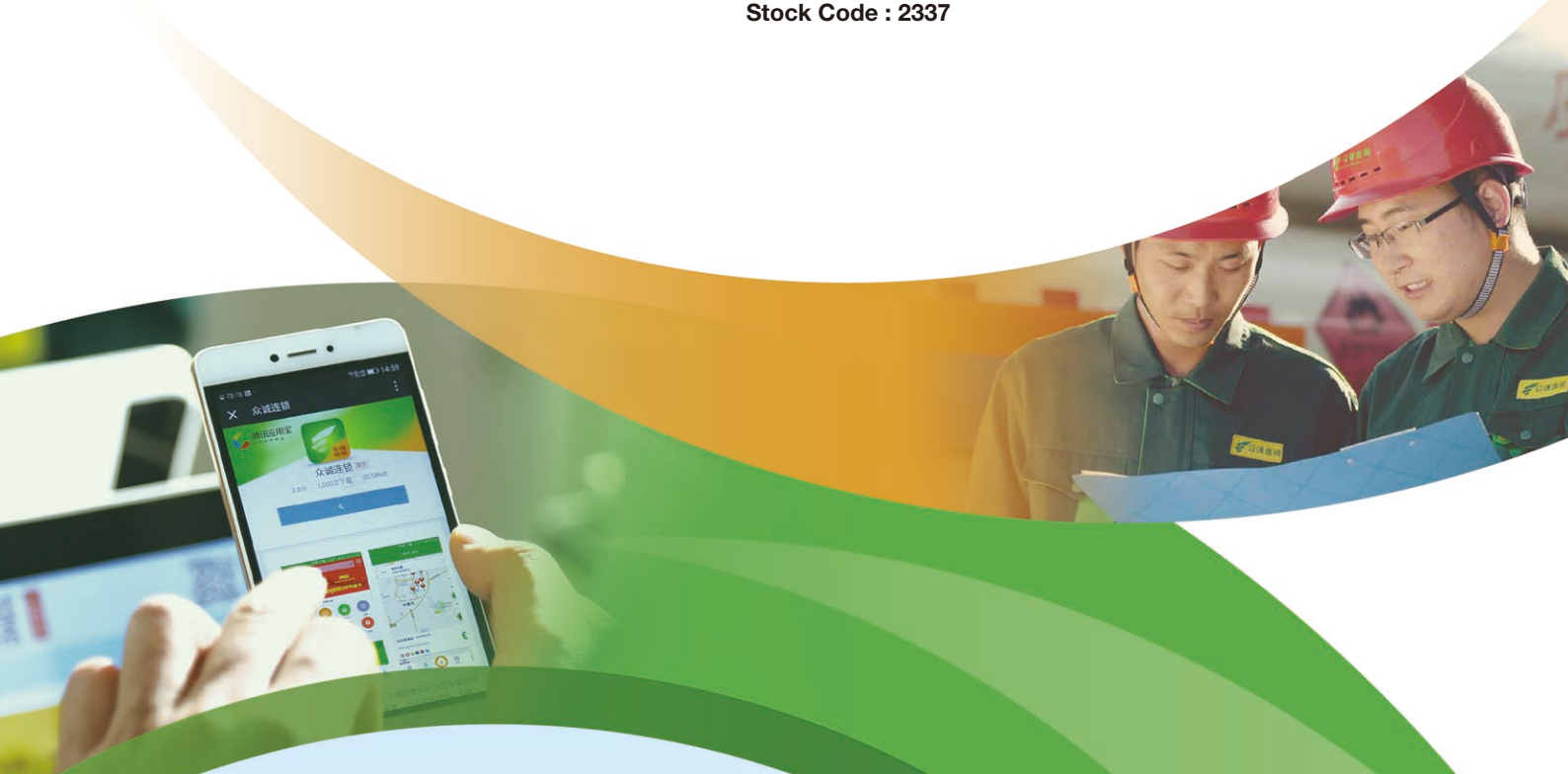




United Strength Power Holdings Limited 眾誠能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2337



2025

ANNUAL REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhao Jinmin (*Chairman & Chief Executive Officer*)
Mr. Liu Yingwu
Mr. Ma Haidong
Mr. Wang Zhiwei
Ms. Bian Xiaodan

Independent Non-Executive Directors

Ms. Su Dan
Mr. Lau Ying Kit
Mr. Zhang Zhifeng

COMPANY SECRETARY

Mr. Lo Wai Kit, *ACCA, FCPA, CFA*

AUTHORIZED REPRESENTATIVES

Mr. Ma Haidong
Mr. Lo Wai Kit

MEMBERS OF AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)
Ms. Su Dan
Mr. Zhang Zhifeng

MEMBERS OF REMUNERATION COMMITTEE

Mr. Zhang Zhifeng (*Chairman*)
Mr. Liu Yingwu
Ms. Su Dan

MEMBERS OF NOMINATION COMMITTEE

Ms. Su Dan (*Chairman*)
Mr. Ma Haidong
Mr. Zhang Zhifeng

REGISTERED OFFICE

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PO Box 2681, Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Changchun
Jilin Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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33 Hysan Avenue
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
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Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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16 Harbour Road
Hong Kong

PRINCIPAL BANKERS

CMB Wing Lung Bank Limited
China Construction Bank
Industrial and Commercial Bank of China

HONG KONG LEGAL ADVISER

Anthony Siu & Co.
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AUDITOR

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(Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance)
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

STOCK CODE

2337

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FINANCIAL HIGHLIGHTS

	2025 RMB'000	2024 RMB'000
Revenue	6,163,633	7,724,326
Gross profit	338,984	439,850
(Loss)/profit for the year	(876)	70,656
(Loss)/profit attributable to equity shareholders of the Company	(2,374)	67,791
Gross profit margin	5%	6%
(Loss)/earnings per share — Basic & Diluted (RMB)	(0.01)	0.18
Total assets	1,954,690	1,877,283
Net assets	531,547	547,955



CHAIRMAN'S STATEMENT



Zhao Jinmin *Chairman & Chief Executive Officer*

Dear Shareholders,

I, on behalf of the board (the “**Board**”) of directors (the “**Directors**”) of United Strength Power Holdings Limited (hereinafter referred to as “**United Strength Power**”, “**the Company**” or “**our Company**”), hereby present the annual business results of our Company and its subsidiaries (hereinafter collectively referred to as “**our Group**”, “**we**” or “**us**”) for the year ended 31 December 2025 (hereinafter referred to as the “**Reporting Period**”).

BUSINESS REVIEW

In 2025, global economic recovery was uneven with overall growth momentum relatively weak. In addition, geopolitical strains, changes in international trade relations, and oil production cut decisions by the Organization of the Petroleum Exporting Countries and non-OPEC oil-producing countries ("OPEC+") continue to disrupt the international energy market. International crude oil prices showed the characteristic of 'stabilizing amid fluctuations,' with the long-term trend dominated by supply and demand fundamentals, and the annual average Brent crude price remaining relatively low. The natural gas market was under pressure in a context of increased supply and prudent demand, showing an 'overall stable but structural differentiation' pattern at the end. In China, the traditional energy industry underwent a structural adjustment of 'decreasing demand in fuel but increasing demand in petrochemical products,' while the intensified substitution effects brought by the continuously increased penetration of renewable energy and new energy vehicles, resulting in a generally weak overall business environment for the oil and gas industry.

During the year, China's macroeconomic policy measures drove steady growth in gross domestic product ("GDP"), but structural adjustments in the macroeconomy have had certain impacts on the regions where the economic development relies more on traditional energy and manufacturing industries, such as the three northeastern provinces. Jilin Province, where the core business of the Group operates in, faced challenges in its energy and industrial sectors, as severe adjustments in traditional pillar industries such as coal mining and steel manufacturing have led to a decline in demand for truck transportation,

directly impacting our business centered on fuel. At the same time, while the natural gas-powered truck market has achieved high growth nationwide, benefiting from "trade-in" subsidies and oil-gas price differentials, uneven regional development and weak recovery in logistics and freight volumes in the Northeast China have further intensified market pressure.

Facing a complex and challenging business environment, the management of the Group fully adhered to the principle of prudent operation and actively responds to market changes. During the year, the Group continued to focus on Jilin Province as its core business operation region, concentrating on three main businesses: refined oil retail sale and wholesale, compressed natural gas ("CNG") refuelling, and transportation services. By optimizing refuelling station network operations, strengthening customer services, improving turnover efficiency, and controlling expenses, the Group reduced the impact of refuelling demand fluctuation. At the same time, the Group closely monitored opportunities for market consolidation, as well as new business prospects arising from the new energy industry, such as hydrogen energy. As of the end of the reporting period, the Group recorded revenue of approximately RMB6,163 million, with loss for the year at RMB876,000, and loss per share of RMB0.01. Despite the weak market demand, the Group maintained its important position in the energy supply system of the Northeast region, ensuring the stable operation and safe service of its oil and gas stations.

OUTLOOK

The 2026 energy landscape has shifted from projected surpluses to historic supply shocks following Middle Eastern conflict and the closure of the Strait of Hormuz. This disruption has removed nearly 7 million barrels per day of crude, driving Brent prices above \$100, far exceeding initial \$60 forecasts.

The impact on natural gas is equally severe. Damage to Qatari infrastructure has sidelined 17% of its LNG capacity, triggering a 140% price surge and forcing Asian markets to curtail consumption. While natural gas remains a pivotal transitional fuel, its role is being re-evaluated through the lens of energy security. In China, high costs and supply volatility are accelerating a pivot toward domestic alternatives and intensified decarbonization efforts to mitigate reliance on unstable global imports. The market remains defined by extreme volatility and a strategic retreat from vulnerable supply chains.

For the Group, 2026 will be a crucial year for solidifying its foundations and enhancing operational resilience. We are fully aware that the traditional business growth model is facing challenges, regional economic structural adjustment pressures persist, and the impact of new energy substitution will continue to deepen. Therefore, the Group's strategic focus will concentrate on the following areas:

First, focus on the core business and improve quality and efficiency. We will concentrate our efforts on the Northeast market. Based on the existing refuelling station network and transportation capacity we have, the Group will strengthen refined operations and pricing strategy discipline at the retail end, enhance the operational efficiency, turnover efficiency, and service stickiness of the refuelling station network, consolidate the synergy effects of wholesale and retail business segments under controllable risks, and ensure the stability of cash flow from the core business.

Secondly, seize opportunities and optimize the structure. We will closely monitor the demand recovery opportunities brought by the beneficial policies for natural gas-powered truck and the oil-gas price differentiation, and optimize the layout and service capabilities of the refuelling station network. At the same time, we will also cautiously explore potential upgrades in the energy industry chain, pay attention to possibilities in the integrated energy service sector, and advance business structure optimization under the premise of financial stability.

Finally, strengthen risk control and operate steadily. We will adhere to prudent financial policies, enhance liquidity management and optimize the capital structure, monitor key risks such as foreign exchange, pricing and supply chain, reserve sufficient financial resources for strategic adjustment and business development, and ensure the Company's long-term stable operation.

Although difficulties stay ahead, we will definitely reach our goal with determination. The Board of Directors and the management of the Group have confidence in the long-term development of China's energy market and are deeply proud of the resilience and dedication of all employees. We will lead United Strength Power through the cycles with utmost determination and pragmatic actions, striving to create sustainable value for all shareholders.

Zhao Jinmin

Chairman & Chief Executive Officer

Hong Kong

30 March 2026



Management Discussion and Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY REVIEW

In 2025, international crude oil prices demonstrated the characteristic of ‘stabilizing amid fluctuations’ as geopolitical risk and oil production cut by OPEC+ provided short-term momentum for oil price, while weak global economic growth and a continued supply-demand imbalance had impacts on price trend. Furthermore, uneven global economic recovery made it difficult for demand response in oil and form a strong upward trend, causing oil price to fluctuate mostly within a low range. At the same time, as the transparency of refined oil prices in the market improved and competition intensified, the overall business environment of the petroleum and CNG refuelling station industry remained weak.

From the perspective of the domestic market, crude oil supply remains stable, while structural changes on the demand side are more remarkable. In the structure of crude oil demand, vehicular fuels still account for the largest proportion. However, against the backdrop of increasing penetration of new energy vehicles and ongoing implementation of energy-saving and emission-reduction policies, the growth of demand in traditional fuels like gasoline was slowing. On the other hand, demand for petrochemical feedstocks remained resilient amid the expansion of integrated oil refining and petrochemical production capacity, while crude

oil demand was undergoing a structural shift characterized by ‘decreasing demand in fuel but increasing demand in petrochemical products’. In summary, the prosperity of the retail sector depends more on the macroeconomy and the logistics and freight sector rather than on a single price factor.

In respect of natural gas, due to the increase in imported natural gas supply and a relatively stagnant demand environment, natural gas price was generally under pressure, and the end-market showed characteristics of ‘overall stable but structural differentiation’ in 2025. At the national level, policies related to natural gas-powered trucks and the price differences between oil and gas still provide potential support for partial truck fleet renewal. Since 2025, the Ministry of Transport, together with two other departments, issued the ‘Notice on Implementing the Replacement and Renewal of Old Operating Trucks’, which clarified the subsidy details for trading in medium and heavy-duty trucks during the reporting period and, for the first time, natural gas-powered trucks were included in the subsidy scope. The steady growth of the natural gas-powered truck market has strengthened the resilience of CNG market demand. However, in respect of the Company’s core operational areas, although stable growth of the number of natural gas-powered trucks used in cold chain industry,



e-commerce, and cross-border transportation has driven logistics market growth, demand for truck transportation remained under pressure due to the stagnant business environment of industries such as coal mining and steel. Throughout 2025, as regional truck transportation business overall weakened, the sales volume of petroleum and CNG refuelling and refuelling frequency were under pressure, and the downturn in the petroleum and CNG refuelling station industry was remarkable.

In addition, the substitution effect brought about by the increased penetration of new energy vehicles, especially hydrogen-powered heavy-duty trucks, carried forward. In the first half of 2025, it was already observed that natural gas-powered vehicle customers are switching to new energy vehicles, putting pressure on the demand for vehicular gas. With no clear sign of reversal in the second half of 2025, the industry-wide pattern of 'weak demand, intensified competition, and differentiated efficiency across stations' persisted throughout the year.

2. BUSINESS AND FINANCIAL REVIEW

Our Group is a leading operator of petroleum refuelling stations and CNG refuelling stations for vehicles in Northeastern China. We run 77 refuelling stations in Northeastern China as at 31 December 2025. Apart from the gas refuelling business and petroleum refuelling business, we have also diversified into the transportation of liquefied petroleum gas and petroleum by relying on the powerful transportation capability of a wholly owned subsidiary of the Group, Jilin Province Jieli Logistics Company Limited ("Jieli Logistics") and wholesale of refined oil products business.

The table below shows the location of and product offering at our refuelling stations as at 31 December 2025:

City, Province	Gas refuelling stations	Petroleum refuelling stations	Mixed (gas and petroleum) refuelling stations	Total number of stations
Changchun City, Jilin Province	3	22	7	32
Jilin City, Jilin Province	2	4	–	6
Liaoyuan City, Jilin Province	–	1	1	2
Yanji City, Jilin Province	4	–	–	4
Meihou, Jilin Province	1	1	–	2
Longjing, Jilin Province	–	–	1	1
Hunchun, Jilin Province	–	1	–	1
Baicheng, Jilin Province	1	2	–	3
Songyuan, Jilin Province	1	1	–	2
Siping City, Jilin Province	1	–	–	1
Baishan City, Jilin Province	–	2	–	2
Tonghua City, Jilin Province	–	1	–	1
Total station(s) in Jilin Province	13	35	9	57
Dandong City, Liaoning Province	–	12	1	13
Benxi City, Liaoning Province	–	1	–	1
Anshan City, Liaoning Province	–	5	–	5
Dalian City, Liaoning Province	–	1	–	1
Total station(s) in Liaoning Province	–	19	1	20
Total:	13	54	10	77

Sales of Refined Oil Business

The sales of refined oil mainly consisted of retail sale of refined oil to vehicular end-users by operation of petroleum refuelling stations and to other petroleum refuelling stations, construction sites and other industrial users by operating petroleum storage facilities and wholesale of refined oil. The Group also expanded its refuelling station network by entering into co-operation agreements with small-size refuelling stations, the vehicular end-users can use the prepaid cards issued by the Group at these co-operative refuelling stations for the consumption of refined oil and natural gas. For 2025, the Group recorded sales of refined oil income of approximately RMB5,963.0 million, representing a year-on-year decrease of approximately 19% and accounted for approximately 97% of the total revenue of the same year. During the year, the sales volume of refined oil amounted to approximately 888 thousand tonnes (2024: approximately 1,028 thousand tonnes), representing a decrease of approximately 14% as compared with last year. The decrease in sales volume was mainly due to the decrease in the sales volume of petroleum products which was due to the decrease in market demand as a result of more vehicle customers having shifted to use new energy vehicles during 2025.

Sales of Natural Gas Business

The sales of natural gas are mainly conducted by our gas refuelling stations in China. For 2025, the Group recorded the sales of natural gas income of RMB145.8 million, representing a year-on-year decrease of 42% and accounted for 2% of the total revenue of the same year. During the year, the sales volume of CNG amounted to 23.7 million cubic meters (2024: 47.1 million cubic meters), representing a decrease of 50% as compared with last year. The decrease in sales of natural gas business was mainly due to the decrease in market demand for natural gas products as a result of more natural gas vehicle customers having shifted to use new energy vehicles during 2025.

Provision of Transportation Services

The provision of transportation services is conducted by Jieli Logistics. For 2025, the Group recorded the transportation income of RMB54.8 million (2024: RMB75.2 million), representing a year-on-year decrease of 27% and accounted for 1% of the total revenue of the same year.

At present, Jieli Logistics and its subsidiary own and manage a fleet of over 100 dangerous goods transport vehicles, including 53 locomotives, 45 trailers and 29 head-mounted integrated vehicles (for petroleum transport), as well as 20 locomotives, 25 trailers and 1 head-mounted integrated vehicles (for gas transport).

Operating Results

Revenue

The principal activities of the Group are the sale of refined oil and natural gas by (i) operating refuelling stations network and storage facilities; and (ii) the provision of transportation of petroleum and gas services. For 2025, the Group's revenue amounted to RMB6,163.6 million, representing a decrease of RMB1,560.7 million or 20% from RMB7,724.3 million in 2024. The decrease in revenue was mainly attributable to the decrease in the sales volume and average selling price of the Company's wholesale and retail petroleum products during 2025.

Cost of Sales and Gross Profit

The Group's cost of sales primarily represents all costs of purchase of refined oil, CNG, LPG and LNG from our suppliers and other costs incurred in transporting the inventories to their present location and transportation costs. In 2025, the Group's cost of sales decreased by 20% to RMB5,824.6 million from RMB7,284.5 million in 2024 due to the decrease in total purchase of the products as a result of the decrease in the sales volume of the Company's products during 2025.

The gross profit for 2025 was RMB339.0 million (2024: RMB439.9 million), with a gross profit margin of 5% (2024: 6%). The decrease in gross profit margin was mainly driven by lower sales volumes across the main business segments caused by the market shift toward new energy vehicles. The decrease in gross profit was mainly attributable to the decrease in the sales volume and the gross profit margin of the Company's products compared with that of the previous year.

Impairment Reversal/(Loss) on Trade Receivables

Impairment reversal on trade receivables was for recovery of trade receivables for which was impaired in the previous year. For 2025, impairment reversal on trade receivables amounted to approximately RMB1.8 million.

Other Income

Other income mainly comprises rental income, government grants and interest income. For 2025, other income amounted to RMB8.4 million, representing an increase of RMB3.0 million from RMB5.4 million in 2024. The increase in other income was mainly attributable to the increase in interest income during 2025.

Staff Costs

Staff costs mainly consisted of salaries, wages and other benefits and defined contributions retirement plans. For 2025, staff costs amounted to RMB148.1 million, representing a decrease of RMB11.0 million from RMB159.1 million in 2024. The decrease in staff costs was principally attributable to the decrease in average salary payable for staff and the number of staff during 2025.

Other Operating Expenses and Finance Costs

Other operating expenses, including utilities expenses related to gas and oil refuelling stations, repair and maintenance expenses related to refuelling stations, professional fees and other general office expenses, decreased from RMB98.6 million to RMB84.7 million. The decrease was mainly attributable to the decrease in repair and maintenance expenses and advertising and marketing expenses during 2025.

For 2025, the finance costs amounted to approximately RMB24.6 million (2024: approximately RMB29.7 million). The decrease in finance costs was mainly attributable to the decrease in interest expenses on lease liabilities as a result of entering into the Entrusted Management Agreement in August 2020.

Share of Results of an Associate

China Travel Service International Financial Leasing Company Limited ("**CTS Financial Leasing**"), which is held as to 30% indirectly by our Group. The share of profits of CTS Financial Leasing amounted to approximately RMB1.2 million for 2025.

Profit before Tax

As a result of the foregoing factors, the profit before tax for 2025 decreased by RMB62.4 million, constituting a profit before tax of RMB31.9 million (2024: RMB94.3 million).

Income Tax Expenses

In 2025, income tax expenses increased by RMB9.1 million, or 38%, to RMB32.8 million from RMB23.7 million in 2024.

(Loss)/Profit for the Year

For 2025, the net loss of the Group amounted to approximately RMB0.9 million, representing a decrease of approximately RMB71.6 million from the profit of approximately RMB70.7 million in 2024.

FINANCIAL RESOURCES AND LIQUIDITY

The Group maintained a strong financial position for the year ended 31 December 2025. Total assets increased by 4% and amounted to approximately RMB1,954.7 million (31 December 2024: RMB1,877.3 million) while total equity remained stable and amounted to RMB531.5 million (31 December 2024: RMB548.0 million).

Bank Balances and Cash

As at 31 December 2025, the Group's bank balances and cash amounted to RMB365.6 million (31 December 2024: RMB158.6 million).

Capital Expenditure

Capital expenditure on owned property, plant and equipment for the year ended 31 December 2025 amounted to RMB18.4 million and our Group's capital commitments as at 31 December 2025 amounted to RMB18.2 million. Both the capital expenditure and capital commitments are mainly related to the purchases of plant and equipment. The Group anticipates that funding for those commitments will come from future operating revenue, bank borrowings and other sources of finance when appropriate.

Prepayment, Deposits and Other Receivables

Prepayment, deposits and other receivables amounted to approximately RMB898.4 million as at 31 December 2025 (31 December 2024: RMB933.2 million). The Group regularly monitors the level of prepayment, deposits and other receivables with a view to ensuring the healthy liquidity position of the Group for its business operations.

Borrowings

The Group's borrowings as at 31 December 2025 and 2024 are summarised below:

	As at 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Short-term borrowings	701,414	98	445,175	90
Long-term borrowings	11,200	2	47,840	10
Currency denomination – RMB	712,614	100	493,015	100
Borrowings – secured	687,900	97	490,015	99
– unsecured	24,714	3	3,000	1
Interest rate structure – fixed-rate borrowings	712,614	100	483,015	98
– variable-rate borrowings	–	–	10,000	2
Interest rate – fixed-rate borrowings	2.70%-4.20%		3.35%-7.2%	
– variable-rate borrowings	–		3.45%	

As at 31 December 2025, the Group's gearing ratio was 73% (31 December 2024: 71%). The calculation of the gearing ratio was based on total liabilities and total assets as at 31 December 2025 and 2024 respectively.

Use of Proceeds and Change in Use of Proceeds

The Company has received net proceeds of approximately HK\$115.6 million after deducting the underwriting fee and commissions and relevant expenses in connection with the global offering on 16 October 2017. On 27 November 2018 and 31 January 2019, the Board resolved to change the proposed use of proceeds from that originally set out in the prospectus for the global offering. Details of which are set out in the announcements of the Company dated 27 November 2018 and 31 January 2019 respectively. As disclosed in the announcement of the Company dated 30 March 2022, the Board has resolved to further reallocate the proceeds that were originally assigned for

the establishment of an industry merger and acquisition fund to the expansion of petroleum and gas refuelling station network. As disclosed in the announcement of the Company dated 27 March 2024, the Board has resolved to further reallocate the proceeds that originally assigned for the expansion of petroleum and gas refuelling station network to the expansion of the logistics vehicles teams.

The unutilised proceeds have been placed with the licensed banks and financial institutions in Hong Kong and the PRC as interest-bearing deposits. Set out below is a summary of the original allocation of the net proceeds, the revised allocation of net proceeds and the utilisation of the net proceeds, including utilisation during year ended 31 December 2025:

	Original allocation HK\$'000	Revised allocation (as at 31 December 2023) HK\$'000	Aggregate utilization as at 31 December 2023 HK\$'000	Remaining balance of proceeds as at 1 January 2024 HK\$'000	Revised allocation (as of 27 March 2024) HK\$'000	Utilization during FY2024 HK\$'000	Remaining balance as at 31 December 2024 HK\$'000	Utilisation during FY2025 HK\$'000	Remaining balance as at 31 December 2025 HK\$'000
Finance the expansion of the CNG refuelling station network	104,000	19,500	19,500	-	19,500	-	-	-	-
Strengthen the marketing and promotion strategies	5,800	5,800	5,800	-	5,800	-	-	-	-
General working capital	5,800	5,800	5,800	-	5,800	-	-	-	-
Acquisition of Silver Spring and assignment of the shareholder's loan	-	34,500	34,500	-	34,500	-	-	-	-
Expansion of petroleum and gas refuelling station network	-	50,000	25,286	24,714	40,000	12,077	2,637	2,637	-
Expansion of the logistics vehicles teams	-	-	-	-	10,000	9,198	9,802	802	-
Total	115,600	115,600	90,886	24,714	115,600	21,275	3,439	3,439	-

Pledge of Assets

As at 31 December 2025, the aggregate carrying amount of the property, plant and equipment and investment properties of the Group of RMB57.7 million were pledged for the Group's bank and other loans and bank acceptance bills facilities. At 31 December 2025, bank loans and bank acceptance bills facilities of the Group amounted to RMB295,200,000, and were utilised to the extent of RMB292,150,000. At 31 December 2025, bank loans of the Group amounted to RMB30,000,000 (2024: RMB30,000,000) are secured by the Group's property, plant and equipment and/or guaranteed by Mr. Zhao Jinmin and his spouse or guaranteed by related parties.

Contingent Liabilities

As at the date of this report and as at 31 December 2025, the Board is not aware of any material contingent liabilities (2024: Nil).

Human Resources

As at 31 December 2025, the Group had 1,264 employees. The Group participates in retirement insurance, medicare, unemployment insurance and housing funds scheme according to the applicable laws and regulations of the PRC for its employees in the PRC and made contributions to the Mandatory Provident Fund Scheme of Hong Kong for its employees in Hong Kong. The Group remunerated its employees in accordance with their work performance and experience. The remuneration packages are subject to review on a regular basis.

In addition, the Group also adopted the share option scheme on 21 September 2017 (the "**Share Option Scheme**"), under which eligible directors and employees are entitled to various share options to subscribe for the ordinary shares in the Company in accordance with their past and potential contribution to the growth of the Group. For the year ended 31 December 2025 and as at 31 December 2025, no share options have been granted or agreed to be granted pursuant to the Share Option Scheme.

Material Acquisition and Disposal of Subsidiaries and Affiliated Companies

Save as disclosed in this report, the Group had no significant investment, material acquisitions or disposals for the year ended 31 December 2025.

Foreign Exchange Risk Management

The Group's sales and purchases during the reporting period were mostly denominated in RMB.

RMB is not a freely convertible currency. Future exchange rates of RMB could vary significantly from the current or historical exchange rates as a result of controls imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally as well as the demand and supply of RMB. The appreciation or devaluation of RMB against foreign currencies may have an impact on the operating results of the Group.

The Group currently does not maintain a foreign currency hedging policy. However, the Group's management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those known to the Group or which may not be material now but could turn out to be material in the future.

Inability to Control Costs

Refined oil and natural gas are the most important raw materials for our refuelling stations business and constitutes a majority of our cost of sales. Our cost of sales and gross profit margin are directly affected by the fluctuations of the purchase price of refined oil and natural gas.

The purchase price of refined oil and natural gas depends on a range of factors, including among others, the market demand and supply of refined oil and natural gas, the Urban Gate Station Price set by the National Development and Reform Commission, development of shale mining and alternative energy and the price trend of international crude oil. If we are unable to pass on the impact of the increase in purchase prices of refined oil and natural gas to our customers by adjusting our retail selling price in a timely manner due to price competition with other refuelling station operators which manage to procure refined oil and natural gas at lower costs, or if we misjudge the extent of adjustment of retail price at our refuelling stations, the Group's profit will be materially and adversely affected.

Supply Risk

A majority of the vehicle natural gas supply for natural gas refuelling stations operators relies on midstream natural gas processors which generally rely on the upstream supply. Vehicle natural gas refuelling station operators with limited bargaining power have to bargain for the gas price and supply with more sizeable gas suppliers in order to maintain their daily operation. Our suppliers may also occasionally encounter shortage of gas supply and may not be able to provide sufficient gas to us pursuant to the gas supply framework agreements, especially in time of significant fluctuation of fuel price in the market.

The supply of petroleum in the PRC is often in the hands of large state-owned enterprises and foreign petroleum suppliers. To ensure a stable and sufficient supply of fuels, refuelling station operators have to establish procurement channels and maintain good business relationships with midstream oil refineries or wholesale distributors. The Group cannot guarantee that its suppliers will continue to provide sufficient refined oil products to the Group especially in time of unpredicted increase in demands for refined oil products.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. The management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

3. BUSINESS PROSPECTS

Looking ahead to 2026, the global crude oil market has been fundamentally reshaped by escalating Middle East geopolitical tensions, abruptly overturning earlier forecasts of a supply surplus. While the World Bank and the U.S. Energy Information Administration (EIA) initially projected Brent crude to soften toward \$60–\$68 per barrel due to sluggish economic growth, recent systemic disruptions have decimated that outlook.

The effective closure of the Strait of Hormuz – a critical chokepoint – has neutralized approximately 20% of global crude supply. Compounding this crisis, targeted attacks on energy infrastructure across Qatar, Saudi Arabia, and Iraq have further throttled market liquidity. Consequently, Brent crude has surged past the \$100 threshold, far outstripping previous benchmarks. Despite a historic 400-million-barrel release from the International Energy Agency's (IEA) strategic reserves, these interventions remain a temporary palliative for a deep-seated structural deficit.

In addition to increasing turnover efficiency, the Group will also prioritize the supply security, inventory resilience, and the mitigation of acute margin volatility amidst an era of unprecedented geopolitical uncertainty.

Regarding natural gas, the variables in 2026 are more focused on the expansion of LNG supply and the repricing of regional spreads. We note that the International Energy Agency (IEA) expects global LNG supply in 2026 to increase by about 7% year-on-year (approximately 40 bcm), as one of the largest increments since 2019. And, supported by ample supply, global natural gas demand growth is also expected to rebound to around 2%.

In 2026, under external conditions where global oil and gas prices are trending toward rational levels and natural gas supply is more abundant, the Group will continue to promote cost reduction, operational efficiency improvement, and structural optimization based on our existing network of refuelling stations and transportation capabilities, enhancing our resilience to market fluctuations and operations. The Group will also more actively seize opportunities for business recovery when there are improvements in the market. On one hand, in the context of a weak oil price benchmark and intensified competition, the Group will focus more on refined operations at the retail end and disciplined pricing strategies, improving the operational efficiency, turnover efficiency, and service stickiness of our refuelling stations and refined oil wholesale business, while consolidating the synergy effects between wholesale and retail under controllable risk conditions. On the other hand, the natural gas business will still face challenges from the penetration of alternative energy sources, but we have also noted the policy-driven promotion of medium- and heavy-duty truck replacement and the inclusion of natural gas heavy-duty trucks in subsidy programs. Combined with the economic advantages brought by the oil-gas price differentiation, demand for vehicular natural gas may still have potential for recovery in certain scenarios.

Finally, the Group will continue to closely monitor the consolidation of the petroleum and CNG refuelling station industry in Northeast China, as well as the development trends of new energy sources such as hydrogen, and will review the development strategy in a timely manner, supporting the Group's long-term stable development through any form or plan beneficial for future growth.



Corporate Governance Report

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance in order to safeguard the interests of the Shareholders and enhance the corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as its own code of corporate governance. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code. The Company has complied with all applicable code provisions under the CG Code throughout the year ended 31 December 2025, except as disclosed in the following and in this report:

Code provision C.1.6 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Certain independent non-executive Directors were unable to attend the annual general meeting of the Company that was held on 19 June 2025 and extraordinary general meeting of the Company that was held on 30 December 2025 due to their commitments outside Hong Kong.

Code Provision F.2.2 of the CG Code requires, amongst others, the chairman of the board should attend the annual general meeting. The Chairman was unable to attend the annual general meeting of the Company that was held on 19 June 2025 and extraordinary general meeting of the Company that was held on 30 December 2025 respectively due to his commitment outside Hong Kong.

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. After the change of the chief executive officer with effect from 31 December 2020, Mr. Zhao is both the chairman of the Board and the chief executive officer of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry with each of the Directors, all the Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2025. Details of the shareholding interests held by the Directors as at 31 December 2025 are set out in page 97 of this annual report.

BOARD OF DIRECTORS

The Board is responsible for determining our business and investment plans, preparing our annual financial budgets and final reports, formulating proposals for profit distributions as well as exercising other powers, functions and duties as conferred by the Memorandum and Articles of Association. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Board has a balanced composition of executive, and independent non-executive Directors to ensure independent viewpoints in all discussions. The Board currently comprises eight Directors, including five executive Directors, and three independent non-executive Directors. Board members are listed below:

Executive Directors

Mr. Zhao Jinmin (*Chairman & Chief Executive Officer*)
Mr. Liu Yingwu
Mr. Ma Haidong
Mr. Wang Zhiwei
Ms. Bian Xiaodan

Independent Non-executive Directors

Ms. Su Dan
Mr. Lau Ying Kit
Mr. Zhang Zhifeng

Biographical information of the Directors is set forth on pages 89 to 91 of this annual report.

Mr. Zhao Jinmin and Mr. Liu Yingwu entered into a service contract with the Company commencing on 1 April 2017, and Mr. Ma Haidong, Mr. Wang Zhiwei and Ms. Bian Xiaodan have entered into a service contract with the Company commencing on 24 August 2020, 27 July 2022 and 29 August 2024 respectively, all of which may be terminated in accordance with the provisions of the service contract by either party giving to the other not less than three months' prior notice in writing.

The Company has issued an appointment letter to each of the independent non-executive Directors (save for Mr. Zhang Zhifeng) commencing on 1 September 2017 and to Mr. Zhang Zhifeng commencing on 27 November 2018, all of which may be terminated in accordance with the provisions thereof by either party giving to the other not less than three months' prior notice in writing.

THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. After the change of the chief executive officer with effect from 31 December 2020, Mr. Zhao is both the chairman of the Board and the chief executive officer of the Company. The Board considers that having the same person to perform the roles of both the chairman and the chief executive officer provides the Company with strong and consistent leadership, and allows effective and efficient planning and implementation of business decisions and strategies. Such structure would not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals and having meeting regularly to discuss issues affecting the operations of the Group.

BOARD MEETINGS

The Company adopts the practice of holding Board meetings regularly. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying Board papers are dispatched to the Directors at least three days prior to the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When the Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman of the Board or the relevant chairman of the Board Committee prior to the meeting.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions made, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board and Board Committee meeting are kept by the duly appointed secretary of the meeting and are open for inspection by Directors.

In 2025, four Board meetings were held and the attendance of each Director at the meeting is set out in the table below:

Director	Number of Board meetings attended
Mr. Zhao Jinmin	4/4
Mr. Liu Yingwu	4/4
Mr. Ma Haidong	4/4
Mr. Wang Zhiwei	4/4
Ms. Bian Xiaodan	4/4
Ms. Su Dan	4/4
Mr. Lau Ying Kit	4/4
Mr. Zhang Zhifeng	4/4

The company secretary of the Company (the “**Company Secretary**”) is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors’ inspection. During the year ended 31 December 2025, Mr. Lo Wai Kit was the Company Secretary.

The Chairman had a meeting with the independent non-executive Directors without the presence of executive Directors in 2025.

According to current Board practice, any material transaction, which involves a conflict of interests due to a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company’s articles of association (the “**Articles**”) also contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

TRAINING FOR DIRECTORS

The Company will provide a comprehensive, formal and tailored induction to each of the newly appointed Directors on his/her first appointment in order to enable him/her to have an appropriate understanding of the business and operations of the Company and to be fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. During the year, the Group has provided training materials for all the Directors to keep them abreast of the latest development of legal, regulatory and corporate governance. The Group continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

The individual training record of each Director received for financial year ended 31 December 2025 is set out below:

Directors	Type of CPD
Executive Directors	
Mr. Zhao Jinmin	B
Mr. Liu Yingwu	B
Mr. Ma Haidong	B
Mr. Wang Zhiwei	B
Ms. Bian Xiaodan	B
Independent Non-executive Directors	
Ms. Su Dan	B
Mr. Lau Ying Kit	A and B
Mr. Zhang Zhifeng	B

Notes:

- A: attending briefings/seminars/forums/workshops/conference relevant to the business or directors’ duties
- B: reading regulatory updates on laws, rules and regulations relating to directors’ roles and functions

AUDIT COMMITTEE

During the year under review, the primary responsibilities carried out by the Audit Committee include:

- making recommendations to the Board on the appointment and reappointment of the external auditors, as well as approving the remuneration and terms of engagement of the external auditors;
- reviewing and monitoring the external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- monitoring the integrity of the financial statements of the Company and the Company’s annual report and accounts and interim report, and reviewing significant financial reporting judgments contained in such reports; and

- overseeing the Company's financial reporting system, risk management and internal control systems, including but not limited to, review of financial control, risk management and internal control systems, consideration of actions to be taken in respect of any findings of major investigations of risk management and internal control matters as delegated by the Board or at its own initiative and management's response thereto, and review of the Group's financial and accounting policies and practices.

The Audit Committee comprises Mr. Lau Ying Kit, Ms. Su Dan and Mr. Zhang Zhifeng who are independent non-executive Directors. The Audit Committee is chaired by Mr. Lau Ying Kit.

Two meetings were held with the management and the external auditors in 2025. Members of Audit Committee attendance at committee meetings held during their term of office are listed below:

	Number of Audit Committee Meetings attended/held
Committee members	
Mr. Lau Ying Kit (<i>Chairman</i>)	2/2
Ms. Su Dan	2/2
Mr. Zhang Zhifeng	2/2

Full minutes of the Audit Committee are kept by the Company Secretary and were sent to all committee members for their comment and records, within a reasonable time after the meeting.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

There is no different view taken by the Audit Committee from the Board regarding the selection, appointment, resignation or dismissal of the external auditors.

A set of written terms of reference, which described the authority and duties of the Audit Committee, was adopted by the Board on 21 September 2017 and the contents of which are in compliance with the CG Code. The said terms of reference of the Audit Committee adopted by the Board are available on Hong Kong Exchanges and Clearing Limited's ("HKEX") website at www.hkexnews.hk and on the Company's website at www.united-strength.com.

REMUNERATION COMMITTEE

During the year under review, the primary responsibilities carried out by the Remuneration Committee include:

- making recommendations to the Board on the Company's policy and structure for remuneration of Directors and senior management, and on the establishment of a formal and transparent process for developing the remuneration policy;
- determining the specific remuneration packages of all executive Directors and senior management, as well as making recommendations to the Board in relation to the remuneration of non-executive Directors;
- reviewing and approving performance-based remuneration with reference to corporate goals and objectives resolved by the Board from time to time;
- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- approving the terms of executive Directors' service contracts.

The Remuneration Committee comprises Mr. Liu Yingwu who is an executive Director and Mr. Zhang Zhifeng and Ms. Su Dan who are independent non-executive Directors. The Remuneration Committee is chaired by Mr. Zhang Zhifeng.

One meeting was held in 2025. Members of Remuneration Committee attendance at committee meetings held during their term of office are listed below:

	Number of Remuneration Committee Meeting attended/held
Committee members	
Mr. Liu Yingwu	1/1
Ms. Su Dan	1/1
Mr. Zhang Zhifeng	1/1

A set of written terms of reference, which described the authority and duties of the Remuneration Committee, was adopted by the Board on 21 September 2017 and the contents of which are in compliance with the CG Code. The said terms of reference of the Remuneration Committee adopted by the Board are available on the HKEx's website at www.hkexnews.hk and on the Company's website at www.united-strength.com.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has adopted full disclosure of remunerations of Directors with disclosure by name, amount and type in note 8 to the financial statements.

The remuneration of the members of senior management by bands in 2025 is set out below:

Remuneration bands	Number of individuals
Nil–HK\$1,000,000	1
HK\$1,000,001–HK\$1,500,000	1
	2

NOMINATION COMMITTEE

The Nomination Committee comprises Mr. Ma Haidong who is an executive Director, and Ms. Su Dan and Mr. Zhang Zhifeng who are independent non-executive Directors. The Nomination Committee is chaired by Ms. Su Dan. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, identify individuals suitably qualified to become members of the Board, and assess the independence of independent non-executive Directors. A set of written terms of reference, which described the authority and duties of the Nomination Committee, was adopted by the Board on 21 September 2017 and the contents of which are in compliance with the CG Code. The said terms of reference of the Nomination Committee adopted by the Board are available on the HKEx's website at www.hkexnews.hk and on the Company's website at www.united-strength.com.

The Nomination Committee adopted a policy concerning diversity of Board members (the "**Board Diversity Policy**"), which is achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience of the Board members. The Nomination Committee will review the Policy on a regular basis and discuss any revisions that may be required, and recommend any such revisions to the Board for approval.

The Nomination Committee shall identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships. Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

In evaluating and selecting a candidate for directorship, the following criteria should be considered:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- any measurable objectives adopted for achieving diversity on the Board;
- any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity; and
- willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.

One meeting was held in 2025. Members of Nomination Committee attendance at committee meeting held during their term of office are listed below:

	Number of Nomination Committee Meetings attended/held
Committee members	
Ms. Su Dan (<i>Chairman</i>)	1/1
Mr. Zhang Zhifeng	1/1
Mr. Ma Haidong	1/1

In accordance with the requirements under the CG Code, the Company has set an initial target of appointing at least one director of a different gender to the Board and has achieved such target since its listing when Ms. Su Dan was appointed as an independent non-executive Director. Currently, the gender diversity of the Board is at 25% (2 female out of 8 Directors). The Nomination Committee and the Board will review the Board's target gender diversity ratio from time to time and take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. The Group's policies in recruitment and promotion of employees are based on objective factors such as their skills, knowledge, experience and performance. We disregard their respective gender, race or religion in order to provide a fair and equal working environment and opportunities. A summary of the gender ratio in the workforce (including senior management) of the Group for the year is disclosed in the Environmental, Social and Governance Report of the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties set out in code provision A.2.1 of the CG Code as follows:

- (i) developing and reviewing the Group's policies and practices on corporate governance and making recommendations to the Board;
- (ii) reviewing and monitoring the training and continuous professional development of directors and senior management;
- (iii) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements (where applicable);
- (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the employees and Directors; and
- (v) reviewing the Group's compliance with the code of corporate governance and disclosure requirements in the Corporate Governance Report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors understand and acknowledge their responsibility for making sure that the financial statements for each financial year are prepared to reflect the true and fair view of the state of affairs, results and cash flow of the Group in compliance with relevant law and disclosure provisions of the Listing Rules. In preparing the financial statements for the year ended 31 December 2025, the Directors have selected appropriate accounting policies and applied them consistently; made judgement and estimates that are prudent and reasonable, and have prepared the financial statements on a going concern basis. The Directors also ensure that the financial statements of the Group are published in a timely manner. The statement by the external auditor of the Company regarding their reporting responsibilities of the financial statements of the Group is set forth in the Independent Auditor's Report on page 109 of this annual report.

EXTERNAL AUDITORS

The Group appointed KPMG as the Group's principal external auditors. The acknowledgement of their responsibilities for the audit of the consolidated financial statements of the Group is set forth in the Independent Auditor's Report on pages 104-110 of this annual report.

The remuneration paid or payable to KPMG for services rendered in respect of the year ended 31 December 2025 is as follows:

	2025 RMB'000
Annual audit and interim review services	5,800
Other audit services	—
Total	5,800

RISK MANAGEMENT AND INTERNAL CONTROLS

In the course of conducting our business, we are exposed to various type of risks, including business risks, financial risks, compliance risks and operation and other risks. The Company improves its business and operational activities by identifying the area of significant business risks via a regular review and taking appropriate measures to control and mitigate these risks. The Board is ultimately responsible for the risk management of the Group and is granted full authority to maintain the soundness and effectiveness of the internal control system and risk management procedures of the Group to ensure efficient and effective use of the Group's resources to assist the Group in achieving its operation objectives, safeguarding the Group's assets against any unauthorized use or disposal, ensuring an appropriate maintenance of accounting records and the availability of reliable financial information and ensuring compliance of the operating activities with laws and regulations. The internal control systems are designed to manage rather than eliminate risks of failure to achieve the business objectives of the Group and to only provide reasonable and not absolute assurance against material misstatement or loss.

Objectives of the risk management and internal control implemented by the Company include:

- (1) identifying matters that may have potential impacts on the Company;
- (2) formulating appropriate control measures for risk management within our risk profile; and
- (3) providing reasonable assurance for the Board and the management in achieving its operating objectives.

Procedures used by the Company for identification, assessment and management of significant risks, as well as review of the effectiveness of the risk management and internal control systems include:

- reviewing existing documentation and conducting interviews with management and key business officers of the Company to identify key risks, and keeping records in the internal risk assessment report;

- identifying, consolidating and analyzing existing and potential risks;
- evaluating and formulating tackling measures in response to identified risks;
- implementing testing procedures to confirm the existence of key controls and effectiveness of control in the course of operations;
- identifying possible defects in respects of control designs and exercise of control in the course of key operations; and
- confirming relevant issues and arriving at a modification plan in response to the internal control defects, and following up the implementation.

Notwithstanding it constituted a deviation from C.2.5 of the Code Provision. The Audit Committee oversees the internal control system of the Group, reports to the Board on any material issues and makes recommendations. An annual review of the effectiveness of the system of internal controls of the Group will be conducted. The Board is of the view that the internal control measures in place are adequate and effective to safeguard the interest of shareholders and the Group's assets.

In addition, the Group has engaged an independent professional advisor to assist the Board and the Audit Committee in an ongoing monitoring of the risk management and internal control systems of the Group. They had communicated with the Company on their findings and recommendations. The Board is of the view that the internal control measures in place are adequate and effective to safeguard the interest of shareholders and the Group's assets.

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the period covering all material controls, including financial, operational and compliance as well as risk management. The Board considers that the Group's risk management and internal control, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal control and financial reporting functions, are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed annually.

The executive Directors closely monitored the Group's business and corporate developments and events so that potential inside information would be identified promptly. The Company regulates the handling and dissemination of inside information by restricting access to inside information to a limited number of employees and parties on a need-to-know basis. Employees who are in possession of inside information are conversant with their obligations to preserve confidentiality. External parties, such as financial printer, are required to sign confidentiality agreement or non-disclosure agreement. Inside information remains confidential until the disclosure of such information is appropriately approved and the dissemination of such information is efficiently and consistently made. Inside information shall be disseminated via the electronic publication system operated by the Stock Exchange before the information is released via other channels, such as the press or posting on the Company's website. In respect of the year ended 31 December 2025, the Board considered the risk management and internal control systems effective and adequate. No significant areas of concern which might affect shareholders were identified.

DIRECTORS AND OFFICERS INSURANCE

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which they may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto.

Appropriate insurance covers on directors' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure from the business of the Group since the Listing Date.

SHAREHOLDERS' RIGHTS

The Company follows a policy of disclosing relevant information to shareholders in a timely manner. Annual and interim reports offer comprehensive information to shareholders on operational and financial performance whereas annual general meetings provide a forum for shareholders to exchange views directly with the Board. The Company regards annual general meetings as important events and all Directors (including independent non-executive Directors), senior management and external auditors shall make an effort to attend such meetings to address shareholders' queries. All shareholders are given a minimum of 21 clear days' notice of the date, venue and agenda of such meetings and a minimum of 14 clear days' notice of the date, venue and agenda for all other general meetings. All resolutions put to vote at the Company's general meetings are taken by poll. Poll results are published on the websites of the Company and the Stock Exchange.

In accordance with the Articles, one or more shareholders holding, at the date of the deposition of requisition, not less than one-tenth of the paid up capital of the Company having the right to vote at general meetings may request by writing for the attention of the Directors or the Company Secretary to convene extraordinary general meetings and put forward proposals at such meetings of which not less than 21 days' notice has been duly given. The purposes of the meetings and the businesses to be transacted in the meeting must be specified in the requisition and lodged with the principal place of business of the Company in the PRC at No. 2101, Unit 1, Block 23, Zone G, Solana 2, Erdao District, Changchun, Jilin Province, the PRC.

If a shareholder wishes to nominate a person to stand for election as a Director at a general meeting, the relevant documents must be validly served on the Company's Hong Kong branch share registrar and transfer office or principal place of business in PRC within the requisite period of time. The full details of the procedures for Shareholders to propose a person for election as a Director were posted on the website of the Company at www.united-strength.com.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. The Chairman of the Board, all executive Directors, and independent non-executive Directors, and the chairman of all Board committees (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries.

The Board adopted a shareholders' communication policy on 21 September 2017 to set out the Company's procedures in providing the shareholders with prompt and equal access to information about the Company, in order to enable the shareholders to access the Company's overall performance, exercise their rights in an informed manner and engage actively with the Company.

The annual general meeting of 2025 ("**2025 AGM**") was held on 19 June 2025. The notice of the 2025 AGM was sent to the shareholders of the Company at least 20 clear business days before the 2025 AGM.

The extraordinary general meeting of 2025 ("**2025 EGM**") was held on 30 December 2025. The notice of 2025 EGM was sent to the shareholders of the Company at least 10 clear business days before 2025 EGM.

The attendance record of the directors at the general meeting is set out below:

Directors	Attendance/ Number of general meetings
Mr. Zhao Jinmin	0/2
Mr. Liu Yingwu	0/2
Mr. Ma Haidong	0/2
Mr. Wang Zhiwei	0/2
Ms. Bian Xiaodan	2/2
Ms. Su Dan	0/2
Mr. Lau Ying Kit	0/2
Mr. Zhang Zhifeng	0/2

To promote effective communication, the Company maintains a website at <http://www.united-strength.com>, where up-to-date information and updates on the Company's financial information, corporate governance practices and other information are posted.

The Group believes that investor relations are important to a listed company to enhance its transparency and corporate governance. During the year, the executive Directors and senior management of the Group have maintained sound communications with the investment community by actively participating in various investor-related activities and meetings. On these occasions, the Group's investor relations representatives introduced the Group's strengths and growth strategies in order to gain support and recognition from the market and investors. Investors are welcome to share their views with the Board by writing to the Company at its principal place of business in Hong Kong or sending enquiries to the Company's website at www.united-strength.com.

CONSTITUTIONAL DOCUMENTS

The amended and restated Articles of Association of the Company (the "**M&A**") was adopted on 19 December 2022 for the purpose of, among others, (i) bringing the M&A in line with amendments made to the Listing Rules and the applicable law and procedures in the Cayman Islands; (ii) allowing general meetings to be held as an electronic meeting or as a hybrid meeting; and (iii) making certain minor housekeeping amendments to the M&A for the purpose of clarifying existing practice and making consequential amendments in line with the amendments to the M&A. An updated version of the Company's M&A is available on the websites of the Company and the HKEx.

DIVIDEND POLICY

The Company currently does not have a dividend policy or any pre-determined dividend distribution ratio and may declare dividends by way of cash or by other means that the Directors consider appropriate. The Directors shall decide and recommend the amount of dividends (or decide not to recommend any dividend) based on our earnings, cash flows, financial condition, capital requirements, future plans of the Group and any other conditions that the Directors deem relevant at such time.

COMPANY SECRETARY

The Company Secretary is responsible for advising the Board through the Chairman of the Board on governance matters and also facilitates induction and professional development of Directors. The Company Secretary reports to the Chairman of the Board. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, all applicable law, rules and regulations are followed.

During 2025, Mr. Lo Wai Kit, the Company Secretary, had attended no less than 15 hours of relevant professional seminars to update his skills and knowledge as required under Rule 3.29 of the Listing Rules.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. PREAMBLE

In 2025, the global energy system is undergoing profound structural transformation. The interplay of geopolitical dynamics, climate governance commitments and fluctuations in energy prices has made energy security and low-carbon transition central considerations in national policymaking and industrial development. Against this backdrop, the People's Republic of China ("**China**") has been steadily advancing its "dual carbon" goals, accelerating the establishment of a clean, low-carbon, safe and efficient modern energy system, while promoting progress in energy structure optimisation and industrial upgrading.

As the 14th Five-Year Plan approaches its final year, China's energy transition is shifting from a phase of rapid capacity expansion to a new stage that emphasises both quality improvement and efficiency enhancement. Owing to its relatively clean and low-carbon characteristics, natural gas continues to serve as an important transitional energy source in achieving the national dual-carbon targets. Meanwhile, the deep integration of digital technologies and smart energy applications is reshaping energy supply and consumption patterns, driving the industry towards more refined management and intelligent operations.

As one of the leading compressed natural gas refuelling and energy transportation operators in China, United Strength Power Holdings Limited and its subsidiaries (collectively the "**Group**") remains committed to the dual mission of "energy security" and "green development." The Group is primarily involved in the natural gas sales business, petroleum wholesale business, refuelling business, and transportation services. While ensuring a stable regional energy supply, the Group continues to enhance energy utilisation efficiency and service quality, striving to become a promoter of the efficient use of clean energy.

In 2025, the Group further strengthened the development of its Environmental, Social and Governance ("**ESG**") management system, systematically integrating sustainability principles into its strategic planning and daily operations. Focusing on key areas such as business ethics and compliance, supply chain resilience, production safety management and climate risk response, the Group continued to enhance its management practices. Meanwhile, the Group strengthened ESG oversight at the Board level and promoted the development of standardised data management and information disclosure capabilities, thereby improving corporate governance and transparency.

In response to uncertainties in the energy market and evolving demand structures, the Group regards innovation as a core driving force, aligning with China's trend of coordinated development between traditional and renewable energy. While continuing to deepen its gas and petroleum refuelling station operations, the Group actively explores pathways for transformation and upgrading, expanding both the breadth and depth of its existing operations and gradually providing more diversified energy services. In addition, the Group is steadily promoting green collaboration across its supply chain, encouraging business partners to enhance environmental and compliance management practices, thereby jointly building a responsible and sustainable industry ecosystem.

On social aspect, the Group continues to strengthen its occupational health and safety management system, optimise training frameworks and risk prevention mechanisms, and effectively safeguard the safety and health of both employees and customers. The Group also further advances talent recruitment and talent pipeline development, fostering a diverse, inclusive and growth-oriented corporate culture that enables the creation of shared value for both the enterprise and its employees.

Looking ahead, the Group will continue to align closely with national energy strategies and industry development trends, further optimise its business model and enhance energy utilisation efficiency. The Group remains committed to playing a leading role in promoting sustainable development within the industry and creating long-term and resilient shared value for shareholders, customers, employees and the wider community.

II. ABOUT THE REPORT

In compliance with the requirement under Appendix C2 – Environmental, Social and Governance Reporting Code (the “**ESG Code**”) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**SEHK**”), the Group is pleased to present the Environmental, Social and Governance Report (“**this ESG Report**”) for the year ended 31 December 2025 (“**FY2025**”), which demonstrates the Group’s approaches, measures and overall performance in terms of ESG management and corporate sustainable development for FY2025.

Boundary Setting

This ESG Report adopts the operational control approach to define the boundary of information disclosure. The scope of this ESG Report covers the Group’s core business operations, including the retail sale of refined oil and natural gas by operating refuelling stations and storage facilities, wholesale of refined oil and provision of franchising services to franchisees and transportation of petroleum and natural gas services. The Group comprehensively identified and assessed the entities that it had operational control over and that were operating normally during FY2025. As a result, 70 gas refuelling stations, petroleum refuelling stations and mixed refuelling stations, as well as the related transportation business located in Northeast China, have been included within the disclosure scope of this ESG Report.

Reporting Principles

This ESG Report has been prepared in accordance with the four core reporting principles set out in the ESG Code of the SEHK, namely materiality, quantitative, balance and consistency, to systematically disclose the Group’s ESG performance in FY2025. The application of each principle is described below:



Materiality

The Group adheres to the principle of materiality to effectively identify ESG issues that have the most significant impact on its business and stakeholders, and to allocate resources appropriately to manage related risks. During the year under review, the Group conducted an annual materiality assessment through an online questionnaire survey to collect views and feedback from key stakeholders on a range of ESG issues. This process enabled the Group to understand stakeholders’ concerns and expectations regarding sustainable development and to identify ESG factors that are critical to the Group’s long-term business development. For further details, please refer to the sections “**Stakeholder Engagement**” and “**Materiality Assessment**”.

The Group has also fully integrated the materiality principle into its ESG data management process. To clearly and effectively reflect overall ESG performance, the Group has established systematic data classification, management and supervision mechanisms across its operating entities, together with a well-defined data collection and disclosure framework with clear roles and responsibilities, ensuring accountability at all levels.

Quantitative



The Group applies the quantitative principle by organising and disclosing environmental and social performance through a set of Key Performance Indicators (“**KPIs**”), covering areas such as emissions, natural resource consumption and employee composition. Relevant calculation methodologies, assumptions and conversion factors have been clearly outlined in the footnotes of the respective performance tables.



Balance

To provide stakeholders with accurate, reliable, and valuable ESG information, the Group adheres to the principle of balance in presenting its ESG performance fairly, enabling stakeholders to make informed decisions. The Group comprehensively assesses the material ESG risks it faces and discloses information objectively based on the assessment results, reflecting its sustainability performance during the review period.

Consistency



The Group adopts a consistent reporting framework and data calculation methodologies as previous years to facilitate peer comparison and meaningful year-on-year trend analysis. Should there be any significant changes to the reporting framework or methodologies, appropriate explanations will be provided in the relevant sections.

Information Disclosure

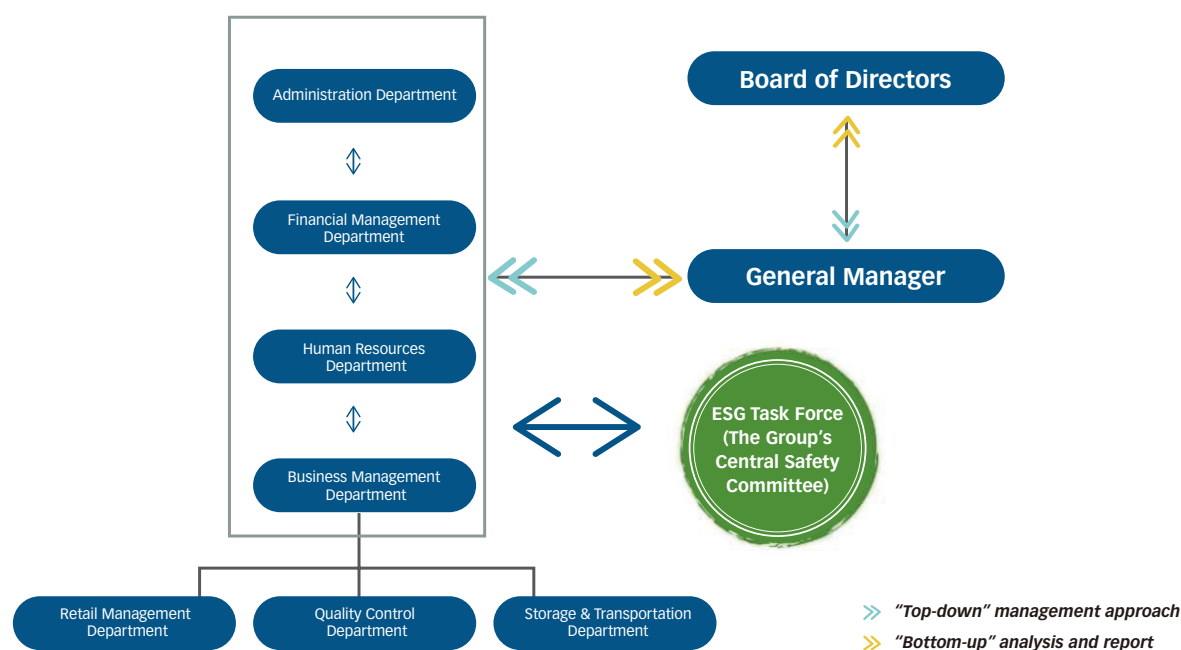
The information disclosed in this ESG Report was collected through various channels, including internal policy documents and data of the Group, feedback obtained from the implementation of ESG practices, stakeholder surveys, as well as information related to the Group's sustainability initiatives gathered through online questionnaires. A complete content index is available at the end of this ESG Report for readers' convenience.

This ESG Report was prepared in both English and Chinese. Should there be any discrepancy between the different language versions, the Chinese version shall prevail.

III. SUSTAINABILITY MANAGEMENT

Amid the accelerating transformation of the energy industry, increasingly robust regulatory frameworks and intensifying market competition, a sound and proactive governance mechanism has become a critical foundation for enhancing corporate resilience and long-term value creation. In response, the Group is committed to promoting high standards of governance practices and has fully integrated sustainability principles into its operational decision-making and risk management systems, enabling it to proactively address the challenges and opportunities arising from the energy transition and evolving market environment. Since its establishment, the Group has consistently adhered to responsible business principles, focusing on the development of its core energy business. Through stable performance and high-quality products, the Group strives to meet the expectations of the market and its stakeholders.

Sustainability Governance Structure



The Group has established a top-down governance structure centred on the Board of Directors, ensuring clear strategic direction, well-defined responsibilities and effective implementation mechanisms. As the highest decision-making body, the Board of Directors of the Group (the **"Board"**) is responsible for overseeing and guiding ESG-related matters of the Group. Through well-established internal reporting and communication mechanisms, the Board facilitates collaboration between management and various business units, ensuring the effective implementation of ESG policies across all levels of the organisation.

Responsibilities of the Board

Drawing on its extensive experience in the energy industry, the Board actively responds to national and industry sustainability policy directions and leads the Group in formulating and implementing internal sustainability policies. Through institutional frameworks and the promotion of a sustainability-oriented culture, the Board seeks to embed ESG principles into the daily operations of all employees.

The key responsibilities of the Board include:

- Oversee the identification and assessment of the Group's environmental and social impacts and ensure effective management of material ESG risks;
- Formulate sustainability strategies and targets, and evaluate the short-, medium – and long-term impacts of ESG policy developments on the Group's business model;
- Review and confirm the results of the Group's ESG materiality assessment to ensure the accuracy and effectiveness of information disclosure; and
- Promote a top-down sustainability culture by integrating ESG considerations into business planning and decision-making processes.

Responsibilities of the Central Safety Committee

To strengthen the coordination and implementation of ESG management, the Group has established the Central Safety Committee, comprising the company's president, vice president, and managers from various business department, to comprehensively promote and coordinate ESG management across the Group. The core responsibilities of the Central Safety Committee include:

- Formulate relevant policies, management principles and specific targets based on the material ESG issues identified;
- Coordinate ESG management across the Group and strengthen communication and collaboration with external sustainability consultants and key stakeholders;
- Oversee the implementation of ESG policies and initiatives across subsidiaries;
- Regularly report to the Board on the progress and latest developments of sustainability policies;
- Periodically review the Group's ESG performance and provide recommendations for improvement and strategic planning;
- Supervise the performance of subordinate organisations in fulfilling their responsibilities in safety, health and environmental protection;
- Review the effectiveness and achievements of subcommittees to ensure that their functions are effectively carried out;
- Optimise the ESG organisational structure and safety management mechanisms;

- Review and approve ESG-related management policies and procedures;
- Study and review major management matters relating to safety and environmental protection;
- Monitor the latest developments in ESG-related laws and regulations to ensure compliant operations; and
- Keep abreast of industry trends and best practices to continuously enhance management standards.

The Central Safety Committee regularly reports ESG-related matters and recommendations to the Board through briefings or formal proposals. In addition, the Central Safety Committee conducts comprehensive reviews and evaluations of the Group's ESG performance twice a year, classifying and prioritising issues based on their impact and materiality, and proposing targeted improvement measures. The assessment results are submitted to the Board for review and serve as an important reference for subsequent strategic planning and target management.

Risk Management and Oversight

Based on feedback from management, the Central Safety Committee and external professional groups, the Board identifies ESG risks that may have a significant impact on the Group's operations through mechanisms such as expert consultations and interviews. By considering historical data alongside current market conditions, the Board evaluates the potential implications of ESG risks for the Group's long-term development and determines strategic response directions.

To ensure effective implementation of such strategies, the Board continuously monitors the performance of KPIs across various business units through management oversight, dynamically tracking sustainability progress and the implementation of risk management measures. For example, the Board places strong emphasis on employee safety and health. It has formulated and implemented the "Implementation Plans for Optimising Safety Management in the Marketing Section" of the Group, which clearly defines responsibilities across units and establishes performance assessment procedures. This initiative strengthens risk identification and prevention mechanisms, thereby minimising potential safety hazards. Meanwhile, a continuous monitoring and evaluation mechanism has been established to ensure the steady enhancement of safety management standards, providing a solid foundation for the Group's sustainable development.

The Group adheres to a sustainability management philosophy of "Safety, Effective Prevention, Health Protection, Environmental Improvement, People-Oriented, Sustainable Development". At the beginning of each year, the Group regularly reviews and updates operational safety and service quality targets in accordance with its target and indicator management framework. These targets are cascaded from senior management to individual business units, forming a clear chain of accountability to ensure effective alignment between planning and execution.

Looking ahead, the Group will continue to strengthen collaboration with upstream and downstream partners, further enhance its sustainability management system and promote the coordinated growth of economic value and environmental benefits.

IV. STAKEHOLDER ENGAGEMENT

The Group believes that active stakeholder engagement is a key pillar in advancing the implementation of its sustainability strategy. By maintaining open communication with stakeholders, the Group not only enhances corporate transparency and accountability, but also facilitates two-way dialogue and shared outcomes. Over the years, the Group has established well-structured communication mechanisms and maintains long-term and effective engagement with various stakeholder groups through the following key channels.

Types of Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	• Compliance with laws and regulations • Anti-corruption policies • Occupational health and safety • Optimisation of the emergency management systems • Be the industry role model and lead the industry towards sustainable development • Establish sound corporate operating mechanisms and long-term plans for sustainable development	• Supervision on the compliance with local laws and regulations • Regular reports and tax payments • Response to policy documents issued by the government • Roundtable discussions • Symposium
Shareholders	• Returns on investment • Corporate governance • Business compliance • Upheld of the corporate culture and operation concept of "Safety, Effective Prevention, Health Protection, Environmental Improvement, People-Oriented, Sustainable Development"	• Regular corporate reports and announcements • General meetings • Official website of the Group
Employees	• Employee remunerations and benefits • Career paths and training schemes • Healthy and safe workplaces • Provide employment and learning opportunity for the unemployed to serve the community • Optimise the efficient operation of the management system • Data security and systematic risk management	• Employees' performance appraisals • Regular meetings and training • Emails, notices, hotline, and team building activities with the management • Online questionnaires • Written evaluation and feedback • Group discussions

Types of Stakeholders	Expectations and Concerns	Communication Channels
Customers	• Price and quality assurance • Product safety and risk control • Strengthened actions to protect environment	• Customer satisfaction surveys • Face-to-face meetings and onsite visits • Customer service hotline and emails
Suppliers	• Fair and open procurement • Win-win cooperation with upstream and downstream partners • Supply chain risk management	• Open tender • Suppliers' satisfaction surveys • Telephone discussions • Face-to-face meetings and onsite visits • Industry seminars • Written evaluation and feedback
Professional organisation	• Improve the sustainable development system • Fulfil environmental and social responsibilities	• Telephone discussions • Online surveys • Meetings (informal or annual general meetings)
Media	• Cater to the trend of national energy development to explore new energy • Protect rights and interests of employees • Protect privacy and right of customers • Support environmental protection and public welfare of the local community	• Press conferences • Social media platforms
General public	• Engagement in community activities • Business compliance • Conformation to business ethics • Environmental protection awareness • Prioritise cyber security and systematic risks prevention	• Media conferences and response to enquiries • Public welfare activities • Face-to-face interviews

Materiality Assessment

In FY2025, the Group engaged an external professional consultant to conduct a materiality assessment. Internal and external stakeholders were invited to complete an online questionnaire to evaluate and provide feedback on a series of ESG issues relevant to the Group's operations. Based on the responses collected, the Group integrated and analysed the data to develop a materiality assessment matrix, identifying the ESG issues with the most significant impact on the Group's operations.

The assessment process followed a systematic approach comprising three key stages, including identification, prioritisation and validation, to ensure that relevant sustainability issues are effectively managed and disclosed.

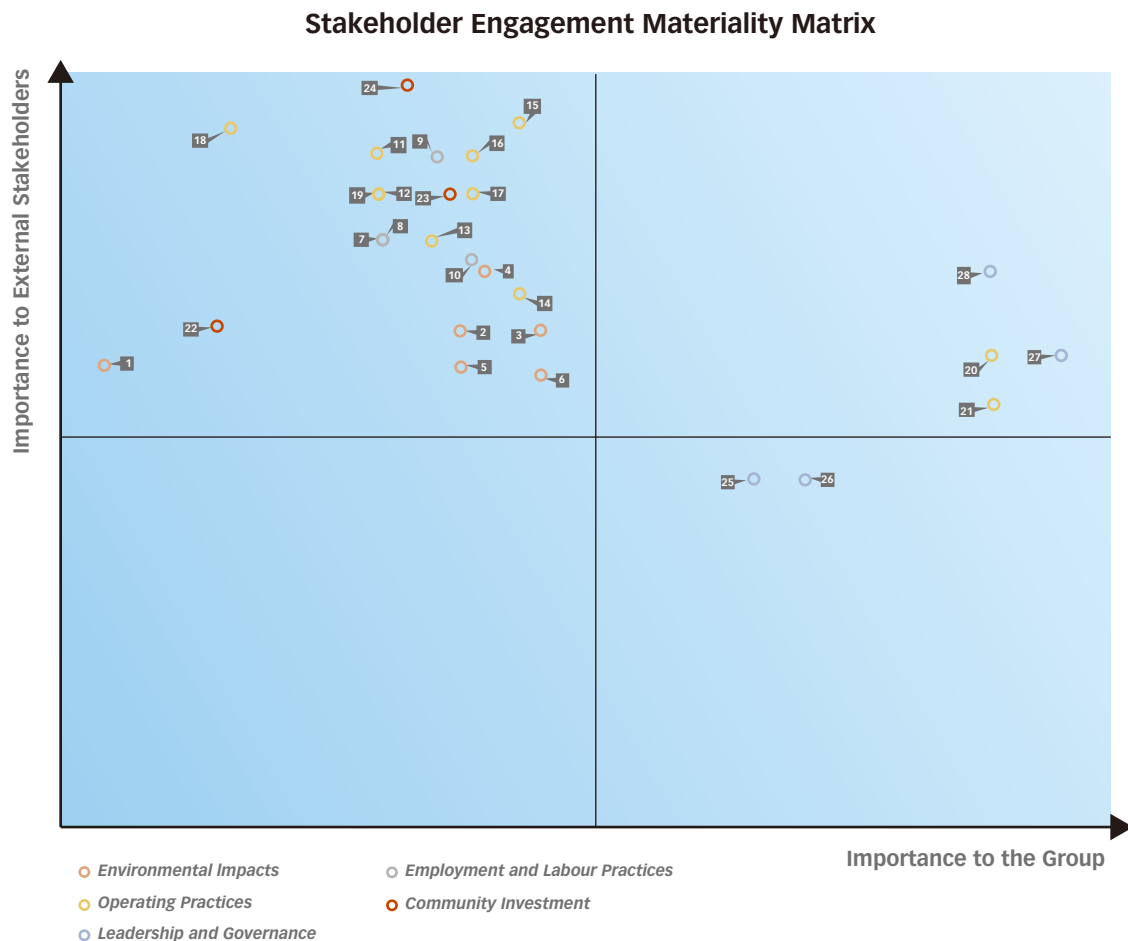
(1) Identification

The Group reviews sustainability issues related to its environmental and social impacts by referencing the ESG Code and internationally recognised reporting frameworks, while incorporating the latest sustainability trends. Following analysis and consolidation, the Group identified 28 sustainability issues relevant to its business operations, covering five key themes: Environmental Impacts, Employment and Labour Practices, Operating Practices, Community Investment, and Leadership and Governance.

- | | |
|---|---|
| 1 Greenhouse gas ("GHG") emissions | 15 Product/service quality and safety |
| 2 Energy management | 16 Customer privacy and data security |
| 3 Water and wastewater management | 17 Marketing and promotion |
| 4 Solid waste stewardship | 18 Intellectual property rights |
| 5 Climate change mitigation and adaptation | 19 Labelling relating to products/services |
| 6 Renewable and clean energy | 20 Business ethics and anti-corruption |
| 7 Labour practices | 21 Internal grievance mechanism |
| 8 Employee remunerations and benefits | 22 Participation in philanthropy |
| 9 Occupational health and safety | 23 Cultivation of local employment |
| 10 Employee development and training | 24 Support of local economic development |
| 11 Green procurement | 25 Business model adaptation and resilience to environmental, social, political, and economic risks and opportunities |
| 12 Engagement with suppliers | 26 Management of the legal and regulatory environment (regulation-compliance management) |
| 13 Environmental and social risk management of supply chain | 27 Critical incident risk responsiveness |
| 14 Supply chain resilience | 28 Systemic risk management (e.g. financial crisis) |

(2) Prioritisation

The Group invited stakeholders, including management, employees from various business segments, suppliers, business partners and representatives of government authorities, to complete the online questionnaire. Through statistical analysis and weighted consolidation of stakeholder responses, the Group identified ESG issues that are most material to its business operations and presented the survey results in the materiality matrix as shown below.



Based on the results of the materiality analysis matrix, the Group identified four ESG issues as material to both the Group and its stakeholders, namely "Business ethics and anti-corruption", "Internal grievance mechanism", "Critical incident risk responsiveness" and "Systemic risk management".

(3) Verification

The results of the materiality assessment were reviewed and approved by the Board, forming the cornerstone for the Group's overall ESG management. The material issues identified during the year under review are consistent with the Group's long-standing priority areas, reflecting the continuity and stability of the Group's sustainability strategy. Based on the assessment results, the Board prioritises resource allocation to manage these material issues and guides management in formulating corresponding policies and action plans. Other relevant ESG issues are also discussed in different sections of this ESG Report.

Sustainable Development Goals (“SDGs”)

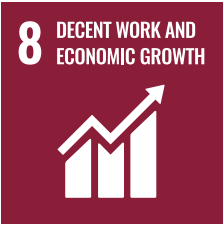
Building on its focus on managing material issues, the Group has further positioned its sustainability strategy within a global context. By benchmarking against the United Nations SDGs, the Group systematically reviews the impact of its business operations on the global sustainable development agenda.

Based on the results of stakeholder assessment, industry characteristics and the Group’s own business model, the Group has identified the following five priority SDGs that are highly relevant to its core operations. These goals serve as key focus areas for the Group’s medium – to long-term sustainability efforts:

- Goal 3: Good health and well-being – “Ensure healthy lives and promote well-being for all ages.”
- Goal 4: Quality education – “Receiving high-quality education is the foundation of improving people’s lives and achieving sustainable development.”
- Goal 7: Affordable and clean energy – “Ensure universal access to affordable, reliable, sustainable, and modern energy.”
- Goal 8: Decent work and economic growth – “Promote inclusive and sustainable economic growth, adequate and productive employment and decent work for everyone.”
- Goal 17: Partnership for the goals – “Strengthen the sustainable development implementation and revitalise the global partnership for sustainable development.”

Under the oversight and leadership of the Board, the Group translate these goals into specific policies, management systems and practical initiatives, driving the transformation of sustainable development concepts into tangible outcomes.

Prioritised SDG	Corporate Action Direction and Target	Corporate Policy, Activity and Advocated Development
 3 GOOD HEALTH AND WELL-BEING	- Pursue “Zero Accident” objective and strengthen a strong safety culture within the Group - Require all employees to comply with the Group’s safety policies, proactively identifying, assessing, mitigating, and controlling hazards and risks related to occupational health and safety during operations, while optimising management systems and frameworks - Actively respond to national development strategies and production safety requirements while supporting high-quality economic and social development	- Implement policies such as “Safety Management Red Lines”, “Hazardous Waste Management Procedures”, “Implementation Plans for Optimising Safety Management in the Marketing Section”, and “Occupational Health Management System” - Incorporate training on occupational disease-related knowledge into the annual plans of units at all levels, and organise regular training - The Safety and Environmental Protection Department established inspection and supervision mechanisms to periodically review policy implementation and drive continuous improvement
 4 QUALITY EDUCATION	- Establish a training and development centre, set up an online training platform and build a professional instructor mechanism based on the principle of “Consolidating Corporate Culture, Being Customer-Oriented, Improving Professional Quality, Enhancing Core Competitiveness of Corporate Talents” - Encourage employees to develop innovative thinking and awareness of green development through systematic training programmes	- Develop and implement internal training policies such as the “Training Management Program” to standardise corporate training management - Provide an online training platform to encourage employees to learn independently and enhance their professional knowledge and skills - Develop diversified training courses, covering key topics such as “Principle of Customer Reception and Complaint Handling”, “Training on Fire-related Knowledge (including the use and management of firefight equipment)”, “Investigation and Remediation System of Potential Accident of Safety Production”, “Refuelling Operation Procedures Training”, and “Safety Code for Electrical Explosion Protection in Hazardous Places”

Prioritised SDG	Corporate Action Direction and Target	Corporate Policy, Activity and Advocated Development
 7 AFFORDABLE AND CLEAN ENERGY	Continuously enhance energy efficiency through technological innovation, business expansion, and standardised process management, while actively exploring application solutions for green and low-carbon transformation	- Encourage the installation of solar panels in suitable areas for power generation - Continuously optimise data tracking system to enhance transparency in the disclosure of key indicators such as energy usage - Set specific energy saving and emission reduction targets with quantitative metrics and implementation timelines
 8 DECENT WORK AND ECONOMIC GROWTH	- Enhance economic productivity and operational efficiency through diversification, innovation, and technological upgrade - Uphold a human-oriented development philosophy, placing the employees' rights and the creation of a safe and healthy work environment as the fundamental baseline and core responsibility of the operations	- Comply with the "Labour Law of the People's Republic of China" and other related labour laws and regulations to safeguard the legal rights and interests of workers - Strictly implement internal safety and health policies, prioritising employee health and safety - Enhance technical capabilities and service standards to improve clean energy application capacity and business sustainability
 17 PARTNERSHIPS FOR THE GOALS	- Strengthen collaboration with business partners on sustainability and product/service innovation through knowledge sharing and technical cooperation - Leverage the Group's industry leadership to integrate upstream and downstream resources and jointly promote environmental protection and social value creation across the value chain, thereby promoting the overall sustainable upgrading of the industrial chain	- Through internal and external cooperation with multiple parties, initiated and implemented the V20 project of ground-tank handover, achieving automatic extraction and informative control of business data of the oil import, sales, and storage activities - Promote the adoption of contactless payment functions at fuel pumps and systematically deploy charging station infrastructure to establish an integrated service network that combines traditional energy with new energy services

Stakeholder Feedback

Guided by its commitment to excellence, the Group attaches great importance to the views and feedback of stakeholders regarding its ESG strategies, management approaches and performance, particularly on ESG issues identified as most material in the Group's materiality assessment. Readers are also welcomed to share their views about ESG matters with the Group via the Group's email info@united-strength.com.

V. ENVIRONMENTAL SUSTAINABILITY

In the context of China's "Dual Carbon" strategy and the ongoing implementation of energy transition policies, the Group actively aligns with green development objectives, positioning sustainability as a core pillar for driving high-quality corporate growth. In FY2025, the Group strictly controlled its emissions and resource consumption, and complied with relevant environmental laws and regulations in its daily operations, including but not limited to:

- Environmental Protection Law of the People's Republic of China;
- Environmental Impact Assessment Law of the People's Republic of China;
- Water Pollution Prevention and Control Law of the People's Republic of China;
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste;
- Energy Conservation Law of the People's Republic of China;
- Regulations of Jilin Province on Ecological Environment Protection; and
- Measures for the Administration of Hazardous Waste Transfer Forms.

This section systematically outlines the Group's policies, management measures and performance in emissions, use of resources, the environment and natural resources, and climate change for FY2025.

A.1 Emissions

In FY2025, emissions arising from the Group's daily operations mainly included air and GHG emissions, wastewater and solid waste. During the year under review, the Group was not in violation of any laws and regulations that have a significant impact on the Group relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Adhering to the development philosophy of "Innovation, Coordination, Greenness, Openness, and Sharing", the Group has integrated environmental management into its daily operations and internal governance framework. Through the implementation of institutional policies and accountability mechanisms, the Group continues to advance energy conservation, consumption reduction, and efficient resource utilisation to minimise the environmental impacts arising from its operational activities. The Group's air emissions primarily arise from the combustion of fossil fuels by logistics vehicles during transportation, generating sulphur oxides ("SO_x"), nitrogen oxides ("NO_x"), and particulate matter ("PM"). Relevant emission data are summarised in Table 1 below. For detailed information and quantitative data relating to GHG emissions, please refer to the section "**Metrics and Targets**" under "**Climate-related Disclosures**" of this ESG Report.

The Group has established a collaborative management mechanism involving various functional departments to effectively identify and manage potential environmental impacts arising from its operations. The Safety and Environmental Department is responsible for coordinating environmental management activities, formulating and strictly enforcing internal regulations such as "Hazardous Waste Management Procedure". The Safety and Environmental Department also strengthens routine inspection and maintenance of environmental protection facilities and equipment to ensure that gas and petroleum refuelling stations operations comply with local environmental requirements. In addition, the Group engages qualified external professional organisations to collect and properly dispose of hazardous waste generated during operations in a standardised manner, thereby mitigating environmental risks.

The Storage and Logistics Department strictly monitors the safety and environmental performance of transport vehicles in accordance with relevant national laws, regulations and emission standards to ensure compliance with environmental requirements. In terms of fuel selection, the Group prioritises the procurement of fuels that meets environmental protection standards and continuously evaluates the feasibility of applying clean or alternative energy sources in its transportation operations, with the aim of progressively improving the environmental performance of its transportation operations.

Table 1 – The Group’s Total Emissions by Category in FY2025 and FY2024⁵

Emission Category	KPI	Unit	Amount in FY2025	Intensity in FY2025 ¹ (Unit/ employee)	Intensity in FY2024 ² (Unit/ employee)
Air Emissions ³	SO _x	kg	81.6	0.06	0.07
	NO _x	Kg	69,361.4	54.87	64.06
	PM	Kg	4,990.2	3.95	4.61
Non-hazardous Waste	Solid Waste	Tonnes	149.4	0.12	0.09
	Wastewater ⁴	Tonnes	9,018.0	7.13	6.09

1. Intensity of FY2025 was calculated by dividing the amount of air emissions and other emissions by the number of employees of the Group as of the end of FY2025, which was 1,264;
2. Intensity of FY2024 was obtained from the “Environmental, Social and Governance” section in the Group’s 2024 Annual Report;
3. Air emissions only included the Group’s air pollutants generated from the mobile combustion of fuel and the stationary combustion of natural gas for heat supply in FY2025;
4. The total amount of non-hazardous wastewater generated by the Group included domestic and commercial wastewater; and
5. The methodology adopted for reporting on air emissions set out above was based on “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by SEHK, EMEP/EEA Air Pollution Emission Inventory Guidebook 2019 and Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide.

Air Emissions

The Group’s air emissions primarily arise from exhaust gases emitted during the operation of its transportation vehicles, as well as minor gas volatilisation or leakage that may occur during refuelling processes. In FY2025, the transportation vehicles of the Group mainly consumed diesel and petroleum.

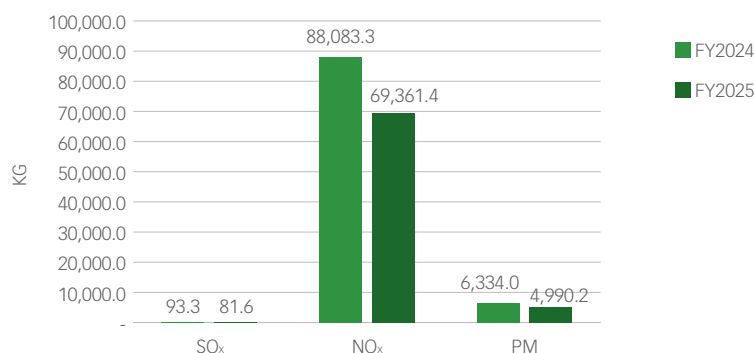
In response to national energy conservation and emission reduction policies, as well as air pollution prevention requirements, the Group continuously optimises fleet management and fuel usage strategies to reduce air emission intensity while maintaining transportation efficiency. Key measures include promoting the use of clean fuels that meet national standards, evaluating the feasibility of applying new energy vehicles in transportation operations, and gradually enhancing vehicle operational efficiency.

The Group applies exhaust gas purification technologies, utilising nitrogen oxide reducing agents to lower NOX emissions in exhaust gas. The Storage and Logistics Department continuously monitors the transportation fleet, scheduling regular vehicle inspections and maintenance to ensure engines operate in optimal condition. To further enhance energy efficiency, the Group has established a standardised fleet management system with corresponding reward and disciplinary mechanisms. Fuel consumption performance is regularly reviewed, and driver awareness of energy-efficient driving practices is reinforced through training and awareness initiatives to reduce unnecessary fuel consumption.

Given that logistics transportation involves volatile substances such as refined oil and natural gas, the Group adopts specialised transport vehicles equipped with sealed valves and gas recovery devices. These vehicles undergo regular inspections and maintenance in accordance with national standards to ensure environmental and safety compliance. Regarding gas refuelling station business operations, the Group strictly enforces operational procedures, enhances employee training and on-site management to mitigate the risk of gas volatilisation or leakage.

Compared with the year ended 31 December 2024 ("FY2024"), the Group's air emissions decreased in FY2025. Looking ahead, the Group will continue to optimise transportation scheduling and energy usage, progressively enhancing its emission management performance.

The Group's air emissions trends for FY2025 and FY2024



Wastewater

In FY2025, the Group's wastewater discharge mainly comprised domestic and commercial wastewater generated during operations, as well as a small amount of hazardous wastewater. All wastewater was treated and discharged in accordance with relevant national and local environmental standards.

Guided by the principles of the circular economy, the Group is committed to improving water-use efficiency and strengthening wastewater management. For example, part of wastewater was discharged into anti-seepage tanks for reuse, with regular cleaning, treatment and safe disposal. Organic matter obtained after proper treatment could be used as fertiliser, thereby promoting resource recycling.

At the institutional level, the Group has established and implemented water and electricity management measures to strengthen internal water conservation requirements and clarify the responsibilities of each business unit. Through awareness initiatives and routine supervision, the Group promotes the development of water-saving habits among employees in both office settings and station operations.

In FY2025, the Group's wastewater discharge increased compared with the previous financial year. As wastewater discharge is closely related to freshwater consumption, the Group has implemented various measures to reduce water use in daily operations, thereby minimising wastewater generation at the source. Relevant water-saving measures and water management practices are described in the in the **"Water"** section below.

Solid Waste and Others

During its daily operations, the Group primarily generates non-hazardous solid waste, including domestic and commercial waste produced at offices and operating sites, as well as a small amount of packaging waste generated from convenience store operations at refuelling stations. To manage different types of waste effectively, the Group has established a waste classification and collection management mechanism, with clear procedures for disposal, temporary storage and removal, ensuring that all waste is properly handled in accordance with relevant requirements. Classified waste is collected and transported by relevant government authorities or designated organisations, enhancing the recycling efficiency of materials.

Regarding its transportation business, the Group integrates the principles of "Reduce, Reuse and Recycle" into its operational management, promoting the development of a more circular business model. For instance, the Group encourages the reuse of packaging barrels and oil drums to minimise packaging waste. In response to the national Action Plan for Grain Conservation and Anti-Food Waste, the Group's canteens continue to promote a culture of rational food consumption and waste reduction. Measures such as offering appropriate portion sizes, promoting the use of communal serving chopsticks, and reducing excessive packaging are adopted to minimise both food waste and plastic waste.

The Group strictly implements the "Hazardous Waste Management Procedure", clearly defining the responsibilities of relevant departments and personnel for the management of waste mineral oil. All hazardous waste is managed in accordance with the "Measures for the Administration of Hazardous Waste Transfer Forms" and is entrusted to qualified independent institutions for transportation and proper disposal. For used parts and engine oil generated during the maintenance and repair of logistics vehicles, the Group designates dedicated storage areas managed by designated personnel. These materials are subsequently handed over to professional recycling units for processing. Additionally, the Group requires employees to strengthen preventive maintenance and regular inspection schedules for vehicles, thereby reducing part replacements caused by equipment aging or improper operation.

In FY2025, the total amount of non-hazardous solid waste generated by the Group increased compared with FY2024. While ensuring compliance and safety, the Group will continue to enhance its source reduction mechanisms. In addition, the Group is committed to enhancing environmental awareness among employees and progressively advancing the systematic management of solid waste.

A.2 Use of Resources

In FY2025, the main resources consumed by the Group included electricity, diesel, petroleum, natural gas, coal, water and paper. During the year under review, the Group did not consume significant amount of packaging materials, thus related content is not disclosed in this ESG Report. Table 2 illustrates the amount of different resources consumed by the Group in FY2025.

To mitigate the risk of fuel leakage, the Group strictly selects and categorises its product storage and transportation containers to ensure compliance with the latest safety and environmental standards. For example, the Group uses liquefied natural gas (**"LNG"**) storage tanks to store LNG, gas cylinder groups for compressed natural gas (**"CNG"**), and liquefied petroleum gas (**"LPG"**) storage tanks for LPG, thereby enhancing the safety and environmental performance of its storage and transportation processes.

The Group continues to optimise its resource management mechanisms and is committed to improving the efficiency of energy and water use. By enhancing internal management systems, strengthening equipment maintenance, and promoting environmental awareness among employees, the Group strives to reduce resource consumption and the associated environmental impacts while ensuring the stable operation of its business.

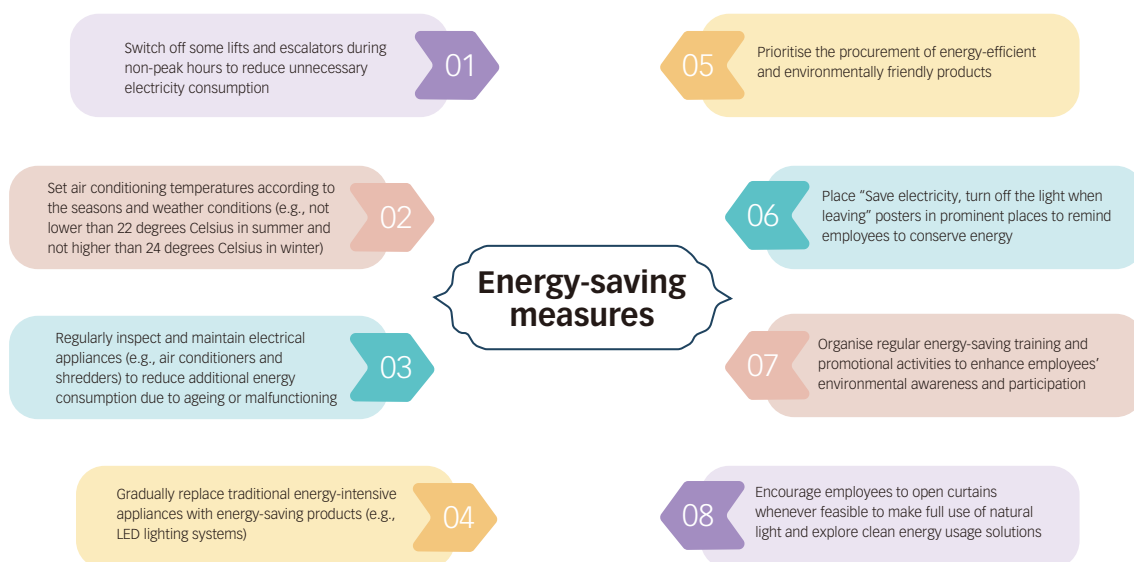
Table 2 – The Group’s Total Resource Consumption in FY2025 and FY2024

Use of Resources	KPI	Unit	Amount in FY2025 ¹	Intensity in FY2025 ² (Unit/ employee)	Intensity in FY2024 ³ (Unit/ employee)
Energy	Electricity	’000 kWh	6,530.5	5.17	5.57
	Diesel	L	5,020,930.8	3,972.26	4,174.45
	Petroleum	L	46,408.0	36.72	39.75
	Coal	Tonnes	20.0	0.02	0.02
	Natural Gas ⁴	m ³	7,000.0	5.54	3.27
	Total	’000 kWh	60,796.3	48.10	50.79
Water	Water	m ³	16,212	12.8	10.9
Others	Paper	kg	3,034	2.4	2.3

1. The resource consumption in FY2025 included consumption from the Group’s office operations, 70 gas refuelling stations, petroleum refuelling stations and mixed refuelling stations, as well as the transportation fleet;
2. Intensity of FY2025 was calculated by dividing the resource consumption of the Group in FY2025 by the number of employees as of the end of FY2025, which was 1,264;
3. Intensity of FY2024 was obtained from the “Environmental, Social and Governance” section in the Group’s 2024 Annual Report; and
4. Natural gas consumption in FY2025 only covered the amount of natural gas used for on-site heating.

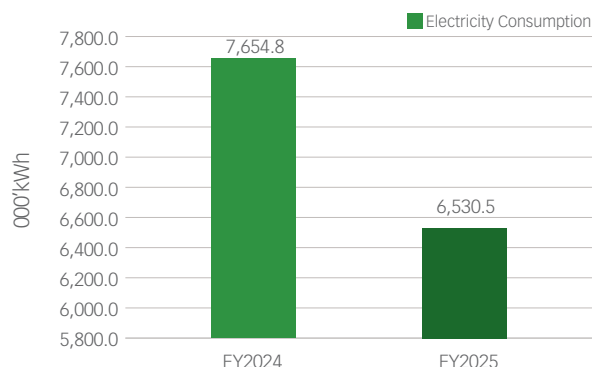
Electricity

The Group's electricity consumption primarily stems from daily operational activities at office premises and across its business segments, including the operation of fuel dispensers, gas dispensers, and related supporting facilities. To improve energy efficiency, all business units under the Group comply with applicable laws and regulations as well as internal electricity-saving policies, continuously optimising electricity management practices. The Group integrates the concept of "conserving electricity" into management practices and actively implements various energy-saving measures to promote effective energy management across its subsidiaries, petroleum refuelling stations, and gas refuelling stations.



Thanks to the effective implementation of these measures within the Group, electricity consumption in FY2025 decreased significantly by 15% compared with the previous financial year. The Group will continue to review and optimise electricity management practices, and further enhance energy efficiency in line with business development needs.

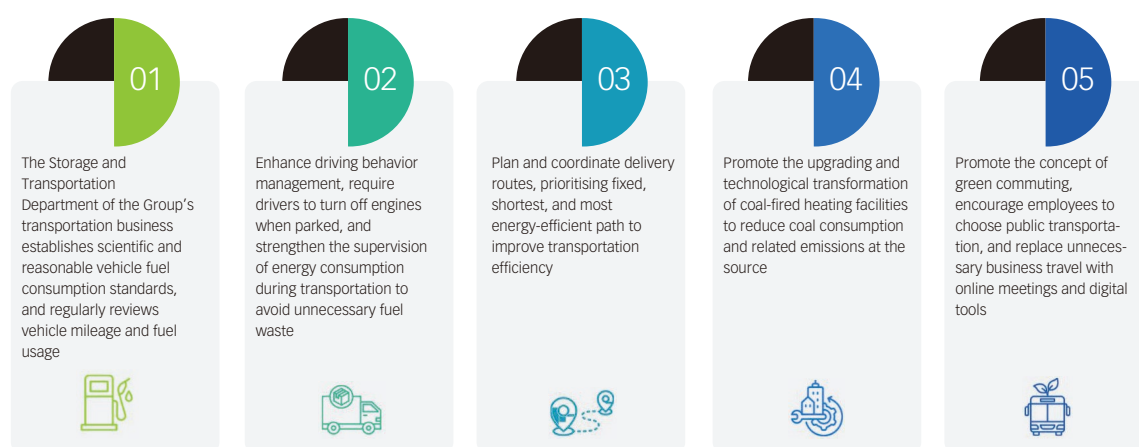
The Group's electricity consumption trends for FY2025 and FY2024



Other Energy Resources

Apart from electricity, the Group's daily operations and logistics activities primarily consume diesel and petroleum, which are mainly used for product transportation and business travel. In addition, natural gas and coal serve as energy sources for heating systems at certain sites.

Driven by the global trend toward low-carbon development, the Group continuously reviews its energy structure, gradually reducing reliance on traditional fossil fuels while actively promoting the application of clean energy in transportation and operational scenarios. In FY2025, the Group implemented measures across management systems, operational optimisation, and technological upgrades to reduce fossil fuel consumption.



In FY2025, the Group recorded a decline in the consumption of diesel, petroleum, and coal compared with FY2024. Moving forward, the Group will continue to strengthen energy-saving management and explore the application of innovative technologies to further advance the clean transformation of its energy structure.

Water

Water resources, as a vital foundation for economic and social development, play a crucial role in the long-term growth of enterprises through efficient utilisation. In line with the national "14th Five-Year Plan for the Construction of a Water-saving Society" and the "Regulations on Water Conservation", the Group continued to enhance its water management system and strengthen water usage monitoring in FY2025. During the year under review, the Group did not face any issues in sourcing water fit for its purpose.

Guided by the principle of "Improving Water Resource Usage Efficiency and Seeking Sustainable Use of Water", the Group integrates water-saving practices into daily operations. In FY2025, the Group implemented the following actions to improve water efficiency:

- Standardise vehicle washing procedures in transportation operations by using buckets and brushes instead of running water to effectively control water consumption;
- Conduct regular inspections and maintenance of faucets, water pipelines, and storage tanks to promptly repair leaks;
- Conduct water conservation education and internal training to enhance employee awareness;

- Display water-saving reminders in prominent places; and
- Establish water conservation policies for all employees and set water usage targets to track water conservation performance regularly.

In FY2025, the Group's water consumption increased compared with the previous year. Nevertheless, the Group continues to strengthen its water management and monitoring mechanisms while actively exploring water recycling solutions to enhance water efficiency and mitigate the potential environmental impacts of increased water usage.

Paper

The Group actively promotes green transformation of office operations by implementing "Paperless Office" and "Automation Office" initiatives to reduce natural resource consumption. Beyond internal measures, the Group encourages suppliers and customers to participate in green practices to further reduce paper use.

During the year under review, the Group further strengthened paper management practices, including:

- Promote the "Think Before Print" initiative to remind employees to avoid unnecessary printing;
- Set printers to double-sided printing and economy modes to control paper usage at the source;
- Place paper recycling bins or trays to collect single-sided sheets for internal reuse;
- Prioritise the procurement of recycled paper to reduce reliance on raw resources; and
- Leverage digital systems and platforms to reduce reliance on paper documents, such as electronic invoices.

In FY2025, the Group's paper consumption decreased by 5% compared with FY2024. The Group will continue to deepen digitalisation initiatives and promote more online and paperless processes across its business operations.

A.3 The Environment and Natural Resources

In response to the accelerating transition in energy structures and increasingly stringent decarbonisation regulatory requirements, the Group continues to adjust its operational strategies and resource allocation, progressively elevating environmental management from a compliance-driven approach to an integral part of value creation. In FY2025, guided by the principle of enhancing efficiency while reducing emissions, the Group strengthened its energy management and control mechanisms, driving the operational system toward a more low-carbon and efficient model.

From an operational perspective, the Group's environmental footprint is primarily associated with fossil fuel consumption in transportation activities, as well as electricity use in offices and operational sites. To enhance overall resource efficiency, the Group has incorporated environmental metrics into strategic planning, establishing a mechanism for regular assessment and dynamic adjustment. This ensures environmental objectives are aligned with business development and evolving external policy requirements.

Targets and Progress

Aspects	Targets	Plans and Action Case Studies
Air pollutants*	Reducing air emissions by 20% in 5 years with FY2025 as the baseline year	- Optimise the energy structure of the transportation fleet and gradually increase the proportion of clean energy used - Establish monitoring mechanisms for recovery devices to enhance the management of refined oil and natural gas recovery efficiency - Replace coal-fired boilers and implement technological upgrades to reduce air pollutants
GHG Emissions	Reducing Scope 1 and Scope 2 GHG emissions by 25% in 10 years with FY2020 as the baseline year	- Promote boiler energy-saving retrofits and optimise energy systems to reduce reliance on fossil fuels - Strengthen electricity-saving management and refined energy control to achieve coordinated progress in reducing air pollutants and carbon emissions
Solid Waste Management	- Reducing the amount of non-hazardous waste, by 20% in 10 years with FY2022 as the baseline year - There are no events impacting the environment caused by waste management during the reporting year	- Implement the principle of waste reduction at source by optimising material procurement and usage processes to minimise waste generation - Establish a waste management accountability system, strengthen internal audits and routine supervision
Water Resources*	Control the water intensity at 7.5 m³/employee in 5 years with FY2025 as the baseline year	- Conduct regular inspections of water supply and pipeline systems to promptly identify and repair leaks - Carry out water conservation awareness initiatives to strengthen water-saving practices while adopting water-efficient equipment and recycling measures

Aspects	Targets	Plans and Action Case Studies
Energy Efficiency	Reduce the use of electricity and fossil fuels by 25% in 10 years with FY2020 as the baseline year	- Gradually replace energy-intensive equipment to enhance overall energy efficiency - Strengthen cross-departmental coordination mechanisms to ensure effective implementation of energy-saving measures across all business segments

* As FY2025 was the target year for the Group's air emissions and water resource targets, the Group has conducted a phased review and updated the relevant targets based on historical performance and business development.

As of FY2025, the Group's environmental performance indicators showed differentiated trends, with certain areas achieving targets ahead of schedule while some indicators still faced challenges.

In terms of air pollutant management, SO_x emissions decreased by 41% compared with the year ended 31 December 2020 ("**FY2020**"), successfully achieving the established reduction targets. This achievement was primarily attributable to improved fuel-use efficiency, optimised equipment management, and the continuous strengthening of monitoring mechanisms for recovery devices. However, NO_x and PM emissions increased, indicating that further efforts are required to enhance pollutant control under the context of business development to achieve more comprehensive emission reduction outcomes.

In FY2025, the total amount of non-hazardous solid waste generated by the Group decreased by 12% compared with the year ended 31 December 2022 ("**FY2022**"). Regarding water resource management, water intensity in FY2025 was 12.8 m³/employee, which remains above the target level of 7.5 m³/employee. Going forward, the Group will strengthen water consumption monitoring, promote the adoption of water-saving technologies, and explore solutions for higher recycling rates to improve water intensity.

Electricity consumption in FY2025 decreased by approximately 14% compared with the FY2020 target year, mainly due to the ongoing replacement of energy-efficient equipment and continuous optimisation of management practices. Petroleum consumption recorded a significant reduction of 38.7%, enabling the Group to achieve its target ahead of schedule. By contrast, diesel consumption increased compared with the baseline year, primarily due to the growth in transportation activities, indicating opportunities for optimising fleet energy transition.

Overall, the Group has achieved substantial progress across several key indicators, with some targets achieved ahead of schedule, reflecting the effectiveness of strategic direction. However, structural optimisation and technological investment are required in areas such as Scope 1 emissions control and water intensity management. Looking ahead, the Group will further integrate energy management with operational planning to systematically enhance emission reduction measures, ensuring steady progress toward long-term sustainable development goals. For further details on the Group's GHG emissions reduction targets and progress, please refer to the "**Climate-related Disclosures**" section of this ESG Report.

Part D Climate-related Disclosures

Climate change has become a significant factor affecting the stability of corporate operations and long-term competitiveness. The Group fully recognises that low-carbon transition and the development of climate resilience are not only compliance requirements but also key drivers for enhancing sustainable corporate value. Amid the evolving regulatory environment, the Group presents its climate-related management framework and progress in accordance with the climate disclosure requirements under the ESG Code issued by the SEHK, structured around the four core pillars of governance, strategy, risk management, and metrics and targets.

Governance

Under the Group's existing sustainability governance framework, climate-related matters have been incorporated into the oversight responsibilities of the Board and management to ensure that the identification, assessment and response to climate risks align with the Group's overall strategic direction. As the highest decision-making and supervisory body, the Board is responsible for reviewing and providing guidance on major ESG matters, including climate-related issues, and regularly receives updates from management through established internal reporting mechanisms. The Board annually reviews key climate-related indicators and progress against targets, including GHG emissions, to monitor management effectiveness. For details regarding the Group's overall ESG governance structure, please refer to the **"Sustainable Management"** section of this ESG Report.

To enhance the professionalism and strategic vision of climate governance, the Board includes members with relevant expertise and maintains long-term, stable collaborations with external professional advisors to obtain professional advice on related matters. The Group has not yet arranged specialised climate-related training. Relevant training will be provided to the Board and management in the future to continuously enhance their capacity to oversee and manage climate-related issues.

Meanwhile, the Group will refine the division of responsibilities for climate-related matters across different governance levels. Through regular meetings and reporting mechanisms, the Group will strengthen the ongoing monitoring of climate-related risks and opportunities. Moving forward, the Group will further explore the feasibility of integrating climate-related issues into strategic planning, major transaction decisions, and risk management procedures to improve its climate governance practices.

Strategy

The Group has systematically identified and assessed the climate-related risks and opportunities relevant to its operations. The analysis covers both physical and transition risks, as summarised below.

Risks		Potential Impacts
Physical Risks	- Increased frequency and severity of extreme weather events (such as cold waves, blizzards and strong winds) - Changes in precipitation patterns and increased pressure on water supply	- Extreme weather events may disrupt daily operational arrangements and potentially cause damage to infrastructure, thereby affecting supply chain stability and the supply and sales of energy products - The operations of gas and petroleum refuelling stations rely to a certain extent on stable water supply. Disruptions in water availability may pose challenges to vehicle cleaning, equipment inspection and other routine operational processes

Risks		Potential Impacts
Transition Risks • Changes in customer behaviour • Uncertain market signals • Increased costs of raw materials • Uncertainty emerging technologies		• These transition risks may place adjustment pressure on the Group's product and service structure, supply chain stability and operational processes, potentially leading to increased compliance-related expenditure and overall operating costs • Given the rapid development of emerging technologies, several uncertainties remain regarding related progress. If technology adoption or market acceptance falls short of expectations, the financial returns of related investment projects may be affected
Opportunities		
• Shifting consumer preferences towards green energy • Promote the development of diversified business models		• Growing consumer attention to clean energy and low-carbon solutions creates new development opportunities for the Group. The Group incorporates green development principles into its business planning and continuously optimises its operating model to enhance competitiveness and strengthen market resilience • In the context of national policies supporting clean energy development, the Group actively explores diversified development opportunities related to its core businesses and prudently evaluates potential partnerships and technology upgrade initiatives to promote business optimisation and sustainable growth

The Group has not formulated a specific climate-related transition plan but will gradually implement appropriate climate response measures to mitigate the impacts of climate change on its daily operations and business activities. The Group also supports and actively participates in relevant green initiatives and activities, continuously taking action to reduce the carbon footprint of its operations.

To facilitate emission reduction management, the Group collaborates with external experts to systematically account for, analyse and manage GHG emissions generated from its operations. Based on this foundation, the Group formulates practical emission reduction targets. In addition, the Group will pay close attention to potential development opportunities arising from the construction of refuelling stations and charging infrastructure for new energy vehicles, with a view to enhancing business resilience and reducing impacts from climate-related risk.

The Group will regularly review the effectiveness of relevant measures and continuously monitor climate trends and market developments to adjust management strategies as appropriate. For further details on energy-saving initiatives, please refer to the subsection “**Use of Resources**” under the “**Environmental Sustainability**” section of this ESG Report.

Financial Effect Analysis

In FY2025, the Group did not record any material financial losses arising from climate-related physical risks. Based on historical operational experience and the current distribution of its facilities, the Group anticipates that extreme weather events and long-term climate change will not pose significant property impacts on the safety of its assets or operational continuity in the short to medium term.

Regarding transition risks, the increasing global supply of renewable energy has placed certain pressure on traditional oil and gas energy sources. In addition, the growing penetration of new energy vehicles and the broader energy transition trend may affect demand for petroleum consumption, potentially exerting downward pressure on revenue generated from the Group’s related businesses. Given the continuing uncertainties in the market and policy environment, the Group has not conducted a quantitative financial assessment of the above potential impacts at this stage.

Furthermore, as regulatory requirements continue to evolve and climate-related disclosure standards become increasingly stringent, the Group has increased its investment in areas such as data collection, emissions inventory, internal control optimisation and compliance management. These expenditures have been incorporated into general operating and administrative expenses and did not have a material impact on the Group’s overall financial performance during the year under review.

In the future, if regulatory policies are further tightened, carbon emission management requirements are elevated, or market expectations for low-carbon operational standards increase, this may lead to higher compliance costs and increased investment in equipment upgrades for the Group. At current stage, apart from existing emission reduction and management measures, the Group has not formulated any additional major capital expenditure plans specifically in response to climate change. The Group will progressively enhance its mechanisms for collecting and analysing climate-related data to assess the potential impact of climate issues on the Group’s financial position, financial performance, and cash flows, thereby improving the transparency of relevant financial disclosures.

Climate Scenario Analysis and Climate Resilience

To proactively assess the potential long-term impacts of climate change on the Group’s operations, the Group is progressively strengthening its scenario-based analysis approach. By considering different future development pathways and policy environments, the Group evaluates how climate change may affect operational and financial performance. As a business primarily engaged in energy sales and related transportation services, the Group focuses on the impacts of changes in energy demand, policy shifts, and market structure transformations on its business model, aiming to enhance overall climate resilience and operational stability.

Under a high-emission scenario, where global mitigation efforts progress slowly, physical risks may become more pronounced, including increased frequency of extreme weather events and heightened water resource pressures. These factors could necessitate short-term adjustments to operational arrangements and lead to higher maintenance, inspection, and safety management costs. Fluctuations in water supply could also affect the daily operations of gas and petroleum refuelling stations, potentially increasing operational expenditures. Nonetheless, based on the current distribution of facilities and existing risk management measures, the Group expects that such cost increases will not have a material effect on its overall financial position or cash flows.

Under a low-emission scenario, as regulatory requirements and market standards continue to tighten, the Group may need to allocate additional resources to data collection, internal management optimisation, and information disclosure, resulting in higher compliance costs or capital expenditures. In addition, energy price volatility, supply chain adjustments, and technology upgrade requirements may influence procurement costs and operational efficiency. Climate-related opportunities could yield positive financial outcomes, including reducing energy consumption costs per unit through enhanced energy efficiency, optimising operational processes to improve resource utilisation efficiency, and exploring opportunities in the clean energy sector.

Looking ahead, the Group will continue to refine its climate scenario analysis framework. Based on business development and data availability, the Group will regularly review relevant assumptions and assessment outcomes, gradually integrating climate issues into strategic planning to enhance long-term operational resilience.

Risk Management

Supported by external consultants, the Group assessed the likelihood and potential impact of these issues, identifying the key climate matters most relevant to its operations with material implications. These issues and their impacts are detailed in the “**Strategy**” section.

The Group adopts a systematic management approach, following the principle of “Forecast before risk, Manage the risk, Analyse after the risk”, to continuously enhance risk control. The Group has established and implemented the “Major Risk Emergency Management Mechanism” and “Severe Weather Emergency Management Measures” to standardise emergency response procedures and management requirements. Through training and internal communication, the Group enhances employees’ professional awareness and execution capabilities in emergency management. To further enhance its preparedness, the Group is progressively integrating climate considerations into the overall risk management process, ensuring that climate-related risks are assessed and monitored alongside other significant risks within a unified framework.

In terms of oversight, the Group regularly reviews key performance indicators such as GHG emissions, energy consumption, and other relevant metrics to evaluate the effectiveness of emission reduction measures and progress in the low-carbon transition. Reports on these assessments are submitted to the Board through established reporting mechanisms. Looking ahead, the Group will continue to optimise its climate risk assessment methodology and update risk assessment results in response to business developments and changes in the external environment, ensuring that the risk management framework remains effective and forward-looking.

Metrics and Targets

The Group selects climate and environmental performance indicators closely related to its business operations and environmental impact to monitor and evaluate performance. These indicators primarily cover GHG emissions, energy consumption, water usage, and waste generation.

GHG Emissions

The Group regularly monitors its Scope 1, Scope 2 (location-based) and Scope 3 GHG emissions, presenting its performance during the year under review in terms of total emissions and emission intensity. The Group adopts the operational control approach to define the GHG reporting boundary, consistent with the scope disclosed in this ESG Report. This includes 70 gas refuelling stations, petroleum refuelling stations and mixed refuelling stations, as well as the related transportation business located in Northeast China.

The Group's GHG emissions are calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). The Group also refers to the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) to account for and disclose Scope 3 Category 5 (waste generated in operations) and Category 6 (business travel) emissions.

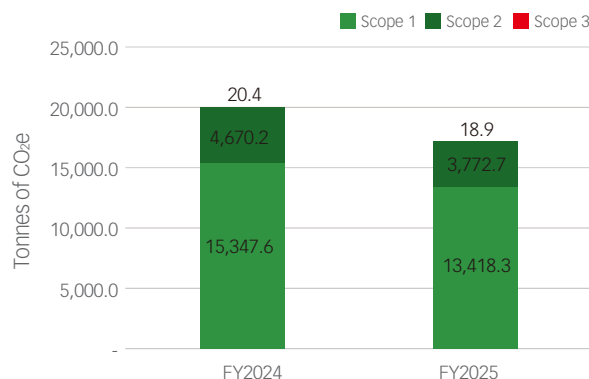
Table 3 – The Group's GHG Emissions in FY2025 and FY2024

Emission Category	KPI	Unit	Amount in FY2025	Intensity in FY2025 ¹ (Unit/ employee)	Intensity in FY2024 ² (Unit/ employee)
GHG Emissions ⁶	Scope 1 Emissions ³ (Direct Emissions)	Tonnes of CO ₂ e	13,418.3	10.62	11.16
	Scope 2 Emissions ⁴ (Energy Indirect Emissions)	Tonnes of CO ₂ e	3,772.7	2.98	3.40
	Scope 3 Emissions ⁵ (Other Indirect Emissions)	Tonnes of CO ₂ e	18.9	0.01	0.01
Total (Scope 1, 2 & 3)		Tonnes of CO ₂ e	17,209.8	13.62	14.57

1. Intensity of FY2025 was calculated by dividing the amount of GHG emissions by the number of employees of the Group as of the end of FY2025, which was 1,264;
2. Intensity of FY2024 was obtained from the "Environmental, Social and Governance" section in the Group's 2024 Annual Report;
3. The Group's Scope 1 (Direct Emissions) only included emissions arose from the consumption of fossil fuels in transportation vehicles and oil depot generators and the burning of coal, as well as the GHGs removed by the trees planted by the Group since its establishment;
4. The Group's Scope 2 (Energy Indirect Emissions) included only the emissions arose from purchased electricity consumption;
5. The Group's Scope 3 (Other Indirect Emissions) included only the emissions arose from paper waste disposed of at landfills and electricity used for processing fresh water and sewage by government departments; and
6. Scope 1 emissions are calculated using cross-industry emission factors from the GHG Accounting Standard. Scope 2 emissions are calculated using the national average grid emission factor for electricity (excluding non-fossil electricity traded in market-based schemes). Scope 3 emissions are calculated based on "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by SEHK and the ICAO Carbon Emissions Calculator for air travel.

In FY2025, the Group's GHG emissions structure remained dominated by Scope 1 emissions (direct emissions) and Scope 2 emissions (energy indirect emissions), with Scope 1 accounting for over 78% of total emissions. During the year under review, Scope 1 emissions decreased by approximately 13% compared with the previous year, reflecting a reduction in diesel and petroleum consumption for transportation. For Scope 2 emissions, the Group recorded an approximate 19% decline, benefiting from the continued implementation of electricity-saving measures, optimisation of electricity management, and reductions in regional grid emission factors.

The Group's GHG emissions trends for FY2025 and FY2024



The Group is committed to enhancing energy efficiency while improving fleet management and internal energy control mechanisms, aiming to stabilise and reduce its operational carbon footprint. Relevant energy management policies and specific measures are detailed in “**Electricity**” and “**Other Energy Resources**” sections of this ESG Report. Moving forward, the Group will continue advancing energy conservation and emission reduction initiatives, while exploring more efficient, low-carbon operational solutions to support its long-term carbon neutrality objectives.

Other Related Indicators

As of the end of FY2025, the Group has not broadly adopted the cross-industry metrics outlined in Part D of the ESG Code for managing climate-related risks and opportunities. At this stage, the Group has identified and assessed climate-related risks and opportunities within its existing management framework, but related quantitative analyses remain under development, with assessments primarily based on qualitative judgment.

The Group has not established an internal carbon pricing mechanism, nor integrated climate-related performance metrics into its remuneration policies. These arrangements will be reviewed and considered as appropriate based on regulatory requirements, business development, and the maturity of internal management.

Climate-Related Targets

To effectively track the implementation of climate management initiatives, the Group has established a series of environmental targets and regularly reviews progress and performance. GHG emissions serve as the core indicator for assessing climate change mitigation efforts. After comprehensively considering the national “dual carbon” goals, past performance, operational characteristics, and future development plans, the Group has established the following emission reduction targets:

GHG Emissions Reduction Target

Target Setting	Reducing Scope 1 and Scope 2 GHG emissions by 25% in 10 years with FY2020 as the baseline year
Target Type	Absolute reduction target
Scope	Covers Scope 1 and Scope 2 emissions from the Group’s core operations, aligned with the disclosure boundary of this ESG Report

Since the target was established, the Group has continuously implemented energy-saving and emission reduction measures, optimised energy management, and enhanced fleet efficiency to gradually reduce operational carbon emissions. As of FY2025, total Scope 1 and Scope 2 emissions rose by approximately 16% compared with FY2020, mainly due to the expanded reporting boundary, which caused a noticeable increase in Scope 1 emissions. In contrast, Scope 2 emissions fell by around 36% from the base year, reflecting the effectiveness of electricity management measures and improvements in energy structure. Further details on other environmental targets and specific measures are described in “**the Environment and Natural Resources**” section of this ESG Report.

During the year under review, the Group did not use carbon credits to offset GHG emissions to achieve any GHG emissions target. Moving forward, the Group will continue reviewing progress, optimising reduction pathways and management measures where appropriate, while regularly assessing climate-related metrics and targets against business developments and regulatory trends.

VI. SOCIAL SUSTAINABILITY

B.1 Employment

A stable and professionally competent workforce is essential to the Group's sustainable operations. The Group is committed to fostering a stable, inclusive and cohesive working environment, ensuring employees perform their duties under conditions that are compliant, fair and safe. Through a structured human resources management framework and compliant employment practices, the Group continuously safeguards the legal rights and interests of its employees while promoting a corporate culture built on mutual trust and respect.

As of 31 December 2025, the Group had a total of 1,264 employees, including 843 males and 421 females, all of whom were full-time employees.

The Group's Employees Distribution in Gender and Age in FY2025

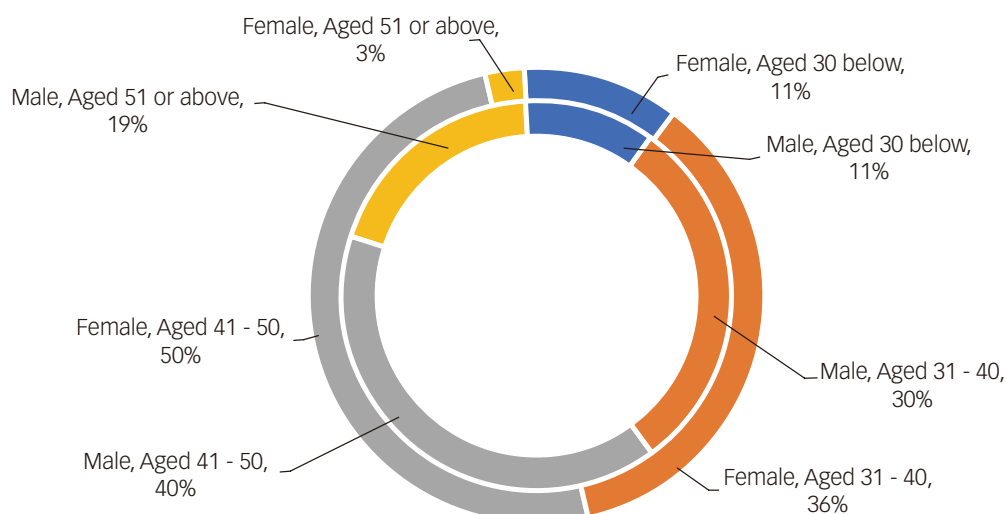


Table 4 – Total Number of Employees by Gender, Age and Geographical Location in FY2025¹

Unit: Number of employees	Age Group				Total
	Aged 30 or below	Aged 31–40	Aged 41–50	Aged 51 or above	
Male	94	255	334	160	843
Female	47	153	209	12	421
Total	141	408	543	172	1,264

Geographical Location	
Area	Number of employees
Changchun	782
Dandong	139
Jilin	37
Siping	5
Yanji	56
Dehui	9
Songyuan	11
Huadian	14
Meihekou	6
Baicheng	15
Baishan	11
Jiaohe	6
Anshan	7
Wafangdian	5
Shenyang	128
Liaoyuan	16
Longjing	10
Huichun	7

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group within the reporting scope. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by SEHK.

Table 5 – Total Number of Employees by Position in FY2025¹

Unit: Number of employees	Position			Total
	General employees	Middle management	Senior management and Directors	
Gender				
Male	782	43	18	843
Female	394	20	7	421
Total	1,176	63	25	1,264

1. The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group within the reporting scope. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by SEHK.

Compliance

Since its establishment, the Group has continuously refined and updated its employment policies in response to changes in the social environment and regulatory requirements, ensuring that its human resources management systems comply with applicable laws and regulations. In FY2025, the Group complied with relevant laws and regulations, including but not limited to:

- Labour Law of the People's Republic of China;
- Insurance Law of the People's Republic of China;
- Labour Contract Law of the People's Republic of China;
- Employment Promotion Law of the People's Republic of China;
- Labour Dispute Mediation and Arbitration Law of the People's Republic of China; and
- Provisions on Minimum Wages.

The Group's Human Resources Department is responsible for regularly reviewing and updating internal management systems and monitoring their implementation, including "Employee Handbook" and "Employment Management Regulations". These policies set out clear guidelines on employee conduct, personnel management, remuneration structure, training and development, as well as reward and disciplinary mechanisms, providing a structured institutional basis for the Group's daily management practices.

Recruitment and Promotion

To support business development needs, the Group conducts recruitment in accordance with its established human resources planning, and standardises recruitment procedures in line with internal policies such as the “Employment Management Regulations”. The relevant processes cover employment types, employment ages, medical examination requirements, insurance payments and reporting procedures, and are conducted according to the principles of openness, fairness, and merit-based selection. All recruitment decisions prioritise alignment between job requirements and candidates’ capabilities, ensuring a transparent and compliant process while prohibiting any form of employment discrimination.

In FY2025, the Group continued to expand its talent sourcing channels and strengthen cooperation with colleges and universities. Through campus seminars and targeted recruitment events, the Group further broadened its talent acquisition pipelines. During the year under review, the Group conducted a recruitment seminar at Changchun University, aiming to build a pool of professional and management talent for business development, thereby progressively optimising the overall talent structure.

The Group adopts a dual approach of internal promotions and external recruitment to maintain organisational vitality and professional capabilities. Remuneration and benefits are determined based on employees’ performance, scope of responsibilities, and market benchmarks. Regarding employee development, a clear promotion system has been established. Employees are classified into three levels (C, D, and E) in accordance with market standards and the regulations outlined in the “Employee Handbook”. Based on the results of annual performance appraisals and competency assessments, the Group provides promotion opportunities for the outstanding employees with high potential. Employees are also encouraged to continuously enhance their professional skills through ongoing learning and cross-departmental collaboration, supporting long-term career growth.

Compensation and Dismissal

The Group’s compensation system is implemented in compliance with the applicable laws and regulations in its operating regions, and is regularly reviewed and optimised in light of business performance and market developments. Adjustments are made with reference to industry benchmarks, the previous year’s remuneration structure, operational performance, and Consumer Price Index (CPI index), ensuring fairness and market competitiveness. Employee salary information is treated with strict confidentiality in accordance with the “Employee Salary Confidentiality Management Measures”.

The Group strictly prohibits any form of unfair or illegal dismissal, requiring all decisions regarding employment, promotion, and termination to comply with applicable laws and internal policies, which are clearly stipulated in employment contracts. Employees shall give 30 days prior notice in advance of resignation and submit a resignation application form to state the reason, which is subject to approval by the relevant department and verification by the Human Resources Department before resignation procedures can be completed. Employees in critical or specialised roles are required to undergo a resignation audit prior to departure. Violations of internal policies are first addressed with a verbal warning, followed by a written warning if necessary. For employees who commit serious violations or repeatedly breach internal policies and refuse to rectify their conduct, the Group will terminate their employment in accordance with applicable laws and regulations, to maintain management discipline and compliant operations.

In FY2025, the total employee turnover rate of the Group was 13.1%.

Table 6 – Employee Turnover Rate by Gender, Age Group and Geographical Location in FY2025¹

Unit: Number of Employees		Age Group			
Gender	Aged 30 or below	Aged 31–40	Aged 41–50	Aged 51 or above	Total
Male	29	31	42	24	126
Male employee turnover rate (%)	30.9%	12.2%	12.6%	15.0%	14.9%
Female	8	12	19	–	39
Female employee turnover rate (%)	17.0%	7.8%	9.1%	–	9.3%
Total	37	43	61	24	165
Total employee turnover rate (%)	26.2%	10.5%	11.2%	14.0%	13.1%

Geographical Location		
Area	Employee turnover	Employee turnover rate (%)
Changchun	119	15.2%
Dandong	11	7.9%
Jinlin	4	10.8%
Yanji	7	12.5%
Dehui	1	11.1%
Huadian	6	42.9%
Baishan	2	18.2%
Jiaohe	1	16.7%
Anshan	2	28.6%
Wafangdian	1	20.0%
Shenyang	6	4.7%
Liaoyuan	1	6.3%
Longjing	2	20.0%
Huichun	2	28.6%

1. The employee turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Employee turnover rate was calculated by dividing the number of employees who resigned in FY2025 by the number of employees as of the end of FY2025. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by SEHK.



Working Hours and Rest Periods

In accordance with the “Provisions of the State Council on Employees’ Working Hours” and other relevant local employment laws, the Group has established internal policies within the Employee Handbook, including the “Regulation on Management of Employee’s Attendance” and “Regulation on Employee’s Leave Management”, to standardise the management of employees’ working hours and attendance. Corresponding reward and disciplinary mechanisms are also in place. In addition to basic paid annual leaves and statutory holidays, employees are entitled to additional paid leave benefits in accordance with relevant policies, including sick leave, marriage leave, maternity leave, and condolence leave. Employees are required to submit a leave application form before taking leave, specifying the reason and duration of the leave. The leave will only take effect upon approval and signature from the relevant supervisor.

Equal Opportunity and Anti-discrimination

The Group upholds a people-oriented philosophy and integrates the principles of equality, respect, and inclusion into its human resources management and all employment-related decisions. To ensure a fair and equitable workplace, the Group strictly prohibits any conduct that violates equal opportunity principles or involves discrimination. All employment-related decisions, including recruitment, training, promotion, dismissal and retirement, are based on employees’ capabilities, performance, and job requirements, and are not influenced by employees’ age, gender, marital status, pregnancy status, family status, disability, race, colour, ancestry, ethnic or national origin, nationality, religion, or any other non-job-related factors.

The Group adopts a zero-tolerance approach to any form of discrimination, harassment, bullying, or abusive behaviour in the workplace. To support this commitment, the Group has established an internal whistleblowing mechanism that provides employees with a safe channel for reporting concerns. Employees who identify any suspected violations may report directly to the Human Resources Department. All reports are handled with strict confidentiality and will be reviewed and followed up by the relevant departments. Where investigations confirm misconduct, appropriate disciplinary actions will be taken in accordance with the Group’s internal disciplinary policies and applicable laws and regulations.

The Group also values internal communication and employee engagement in its daily operations. Through various channels, including two-way employee dialogue sessions and online surveys, the Group collects employees’ views and suggestions regarding the working environment, corporate management, and organisational culture. These initiatives promote constructive interaction between management and employees, collectively fostering a harmonious environment that embraces diversity and inclusion.

Other Benefits and Welfare

The Group regards employee well-being as an important component of its human capital management and is committed to fostering a positive, healthy, and cohesive working environment through diversified welfare arrangements and cultural initiatives. In accordance with relevant national laws and regulations, the Group provides employees with basic protection such as work-related injury insurance, and offers well-equipped staff accommodation. In addition, the Group continues to enhance employee care initiatives to promote a better work-life balance.

In FY2025, the Group organised and carried out a variety of cultural and sports activities, including badminton, shuttlecock kicking, table tennis, and Chinese chess competitions. These activities not only encourage active participation among employees and promote their physical and mental well-being, but also strengthen cross-departmental communication and teamwork. During International Women's Day, the Group's General Union extended festive greetings to female employees and presented thoughtful gifts. A complimentary Traditional Chinese Medicine consultation was organised, inviting professional physicians from local medical institutions to provide health consultations and diagnostic services for female employees. This initiative demonstrated the Group's commitment to employee's well-being while further enhancing their health management awareness.

In addition, the Group organised employee skills competitions and speech contests, providing a platform for employees to showcase professional capabilities and share experiences. These activities promote knowledge exchange and skill enhancement, supporting the continuous development of employees' overall competencies. Through these diversified initiatives, the Group further strengthens corporate cohesion and employees' sense of belonging, while fostering a positive and collaborative corporate culture.



In FY2025, the Group complied with laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits, as well as other laws and regulations that have a significant impact on the Group.

B.2 Health and Safety

The health and safety of employees form a fundamental basis for the Group's stable operations. The Group regards occupational health and safety as a core management responsibility and is committed to establishing a safe, compliant, and continuously improving working environment. In FY2025, the Group complied with relevant laws and regulations, including "the Law of the People's Republic of China on Prevention and Control of Occupational Diseases", "Regulation on Work-Related Injury Insurance", "Emergency Response Law of the People's Republic of China", as well as other applicable local regulations. The Group also continued to implement its internal health and safety management systems.

To further strengthen the safety management framework, the Group has established a Central Safety Committee, comprising the Company's president, vice presidents, and managers of different business segments, to coordinate and oversee the implementation of safety management across all departments. The Safety and Environment Department is responsible for routine inspections, risk identification, and follow-up rectification actions to ensure the effective implementation of safety policies. Meanwhile, the occupational safety management team promotes safety and health training and awareness initiatives to enhance employees' understanding and compliance awareness on occupational hazard prevention requirements.

In FY2025, the Group convened four Central Safety Committee meetings to review safety performance at different stages. Key areas such as target indicators, high-risk operations management, and hazard identification and mitigation were systematically assessed, and relevant management measures were adjusted accordingly. The Group also strengthened employees' safety awareness and practical capabilities through diversified activities. For instance, in June, the Group organised the 11th Safety Knowledge Competition, encouraging cross-departmental participation, promoting the sharing of safety experience and the practical application of safety knowledge, thereby further reinforcing the Group's safety culture.

The Group also places strong emphasis on occupational disease prevention, adhering to the health and safety policies of "Full Safety", "Environmental Improvement", "Precaution First", "Sustainable Development", "People-Oriented" and "Health Protection", and established standardised operational procedures. In addition to conducting annual workplace occupational hazard inspections at operational sites, the Group arranges occupational health examinations for employees to identify potential health risks in a timely manner. Through internal communication initiatives and annual training programmes, the Group clearly disseminates occupational disease prevention requirements and related safety responsibilities to all levels of personnel at gas and petroleum refuelling stations, enhancing employees' understanding and implementation of occupational protection measures.

The Group has also established a reward and disciplinary management system that clearly defines behavioural standards related to health and safety. Any violations of fire prevention management, sanitation management, and safety operation procedures are handled with strict disciplinary action. In case of any occupational disease hazard incident, the Group requires the responsible unit to promptly report to local Work Safety Administrative Department and take effective measures to control or eliminate the hazard. Delays, false reporting, or concealment of incidents are strictly prohibited.

Safety Management Red Lines of the Group

 01	 02	 03	 04	 05
<i>Gas refuelling Stations prohibit</i> • Smoking at the stations • Illegal fire use • Illegal use of electricity • Work after drinking alcohol • Enter the explosion-proof area without anti-static tooling • Unload the natural gas without using the electrostatic clamp, etc	<i>Petroleum refuelling Stations prohibit</i> • Fill the plastic drum directly with petroleum • Use of non-explosion proof equipment in explosion-proof areas without approval • Hit the iron directly in the explosion-proof zone • Repair the car in the explosion-proof zone and pump oil from the fuel tank, etc	<i>Mixed refuelling stations prohibit</i> • Unload oil (gas) without using electrostatic clamp • Change the plate without removing the unloading pipe • Use of non-explosion-proof equipment in explosion-proof areas without approval • Guardians of high-risk operations are not on duty on site, etc	<i>Oil depots prohibit</i> • Bring cigarettes, lighters or phones into the depot area • Do not wear anti-static tooling (shoes) to enter the explosion-proof area • Oil loading and unloading and tank dumping operations are not supervised on site • Unauthorised entry into restricted space for operations, etc	<i>Transportation fleets prohibit</i> • Make phone calls or play games on the phone while driving • Illegal engine ignition during vehicle maintenance • Change the transportation route without permission • After loading and unloading, do not confirm the safety before driving, etc

In terms of emergency management, the Group has established comprehensive emergency response procedures and formed an accident response team responsible for handling emergency situations. The team leader is responsible for overall coordination and for promptly initiating emergency rescue procedures, which include:

1. Accident reporting
2. Emergency scene rescue, on-the-spot self-rescue and mutual rescue
3. Scene closing
4. External liaison
5. Joint rescue
6. Accident analysis and responsibility declaration, to properly handle any emergency

In accordance with the “Emergency Plan for Production Safety Accidents”, the Group has clearly defined the roles, responsibilities, and response procedures related to emergency mechanisms for its transportation business, ensuring prompt activation of response measures and effective resource coordination during incidents. Meanwhile, the Group continuously refines its routine vehicle safety inspection system and risk hazard investigation mechanisms, implementing the “Hidden Danger Investigation and Governance Statistical Analysis Management System” to strengthen source-level risk management and further safeguard the lives and property of employees and the public.

To continuously enhance its safety management standards, the Group has engaged a professional industrial safety consultancy firm since 2012 to provide regular technical support and management recommendations, leveraging external expertise to optimise its internal management systems. In addition, to strengthen the operational safety of gas and petroleum refuelling stations, the Group has fully installed surveillance systems to enable real-time monitoring and risk alerts. Dedicated personnel are assigned to conduct regular inspections of relevant facilities, further enhancing the Group’s capability to prevent and control high-risk incidents such as fires and explosions.

Table 7 – Number and Rate of Work-related Fatalities Occurred in the Past Three Financial Years¹

Year	FY2025	FY2024	FY2023
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (in every hundred employees)	0	0	0

1. The work-related fatality data in headcount was obtained from the Group's Human Resources Department. The methodology adopted for reporting on work-related fatality data set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by SEHK.

In FY2025, the Group recorded three work-related injury incidents, involving three employees, with a total of 305 lost working days due to work-related injuries. The Group attaches great importance to the relevant work-related injury incident and has conducted cause analysis and corrective action in accordance with established procedures to prevent similar occurrences in the future. During the year under review, the Group did not violate any relevant laws and regulations related to providing a safe working environment and protecting employees from occupational hazards that have a significant impact on the Group.

B.3 Development and Training

The Training Vision of the Group

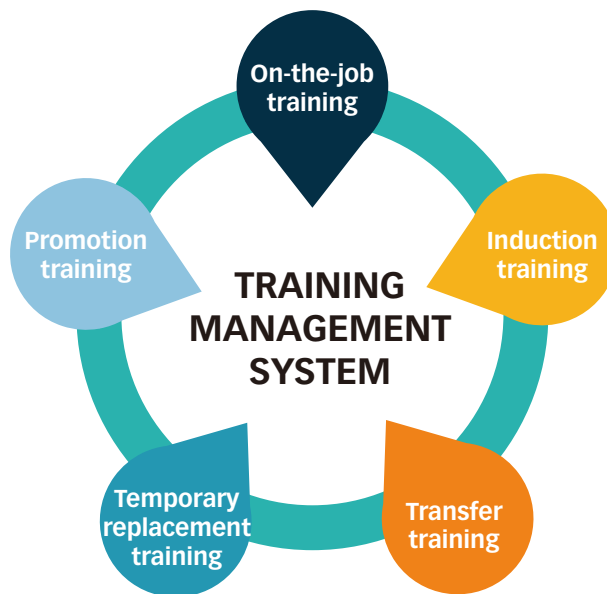
To support the Group's rapid commercial development based on customer-oriented services, comprehensively improve employees' professional competence, business capability, and service standards of employees at all levels. At the same time, accelerate the talent reserve and development for key employees and staff at sales and management positions, so as to strengthen the Group's competitiveness in cultivating holistic talents.

A systematic talent development mechanism forms an important foundation for enhancing corporate competitiveness and promoting sustainable development. Therefore, the Group regards employee training and capability building as a key component of its human resources management. Through a well-structured and diversified training system, the Group supports employees' professional growth, enabling the synergistic advancement of individual development and corporate objectives.

The Human Resources Department is responsible for optimising training policies, guidelines, and plans, including organising training courses, developing teaching materials, and guiding business units in conducting training programmes. The Group's training framework covers five key stages: training need analysis, training plan formulation, training plan implementation, training effect evaluation, and application of assessment results, thereby enhancing the systematic management and effectiveness of training activities. In addition to internal training courses, the Group also organises thematic training programmes and cross-departmental exchange activities aligned with business development priorities, aiming to strengthen employees' capabilities in operational management and professional skills.

In FY2025, the Group implemented a number of targeted training programmes to further strengthen employees' professional foundation and practical capabilities. Among these initiatives, the Group launched a series of training programmes on professional ethics and compliance, covering frontline staff, key business personnel, and middle to senior management. Through tiered and targeted training arrangements, the Group promoted the implementation of compliant business practices across all organisational levels.

Given the nature of the Group's operations and its safety management requirements, safety training represents a core component of the overall training system. All newly recruited employees are required to complete occupational health and safety training prior to commencing their duties, covering topics such as job-related risk identification, basic knowledge of petroleum products, emergency response procedures, and operational safety requirements. Employees can only officially commence work after successfully passing the relevant assessments. Employees undergoing job transfers and personnel from external parties are also required to complete the relevant training in accordance with the Group's training policies before commencing work. To strengthen risk awareness, all employees are required to participate in at least two occupational health and safety training sessions annually, and all training activities are documented and archived in accordance with the Group's training records management policy.



To further unlock employees' potential and foster their professional spirit, the Group hosted the "United Strength Chain 2025 Employee Vocational Skills Competition" for the ninth consecutive year. Combining practical challenges with professional evaluations, the event encouraged staff to enhance their technical proficiency and service capabilities. Numerous outstanding employees received recognition for their achievements, reflecting the Group's sustained commitment to talent development.

Looking ahead, the Group will continue to optimise the content and format of its training programmes, integrating digital tools and practical case studies to enhance the relevance and interactivity of training initiatives. Through these efforts, the Group aims to further strengthen employee capabilities and contribute to the high-quality development of the industry.

Table 8 – Number and Percentage of Employees Trained by Gender and Position in FY2025¹

Number of employees	Position			Total
	General Employees	Middle Management	Senior Management and Directors	
Gender				
Male	782	43	18	843
% of employees trained	61.9%	3.4%	1.4%	66.7%
Female	394	20	7	421
% of employees trained	31.2%	1.6%	0.6%	33.3%
Total	1,176	63	25	
% of employees trained	93.0%	5.0%	2.0%	
Total number of employees				1,264
Total number of trained employees				1,264
% of total employees trained				100

1. The training data was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2025. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by SEHK.

Table 9 – Training Hours Received by Employees by Gender and Position in FY2025¹

Unit: Hour	Position			Total
	General Employees	Middle Management	Senior Management and Directors	
Gender				
Male	18,768	1,032	432	20,232
Average training hour	24	24	24	24
Female	9,456	480	168	10,104
Average training hours	24	24	24	24
Total	28,224	1,512	600	30,336
Average training hours	24	24	24	24

1. The training data was obtained from the Group's Human Resources Department. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report – Appendix 3: Reporting Guidance on Social KPIs" issued by SEHK.

B.4 Labour Standards

In FY2025, the Group complied with the Labour Law of the People's Republic of China and other relevant labour laws and regulations, strictly prohibiting all forms of child labour and forced labour to foster a lawful and equitable employment environment.

In accordance with the "Employee Recruitment Management Regulations", the Group has established a standardised verification process. All candidates are required to provide valid identification documents during the recruitment process and to accurately complete their personal information in the Employee Registration Form. The Human Resources Department verifies the completeness and authenticity of the relevant documents against the Employee Entry Checklist to ensure that all employment procedures are conducted in a compliant and transparent manner. Candidates who fail to provide valid and legitimate documentation will not be permitted to complete the onboarding process. Meanwhile, the Human Resources Department is responsible for continuously reviewing and monitoring the Group's internal employment policies and practices. If any suspected violations of labour standards are identified, the Group will immediately initiate an investigation, terminate the relevant employment contract in accordance with the relevant law, and take further actions according to the applicable regulations.

During the year under review, the Group was not in violation of any laws and regulations in relation to the prevention of child and forced labour that have a significant impact on the Group.

B.5. Supply Chain Management

Since its establishment, the Group has continuously refined its ESG management framework, integrating environmental and social risk identification into supply chain management, and implementing systematic control mechanisms to ensure supply chain stability.

The Group's Supply Chain Management Team is responsible for overseeing supplier selection, focusing on factors such as operational compliance, industry qualifications, past performance, and product or service quality. Suppliers in collaboration are evaluated annually, and the supplier list is updated dynamically based on the assessment outcomes. The Group has incorporated ESG principles into supplier management processes, enhancing training with suppliers on environmental protection and social responsibility to effectively mitigate potential ESG risks within the supply chain.

The Group's core operations cover the sales of vehicle natural gas at gas refuelling stations, the sales of vehicle petroleum at petroleum refuelling stations and the transportation services of petroleum and natural gas. The Group's major suppliers are state-owned and private enterprises, which provide the Group with products such as petroleum, diesel, natural gas, and chemical products via railway and road transportation. The Group has established and implemented the "Procurement Management System", which clearly defines processes including confirming procurement intentions, signing contracts, making payments on time, arranging shipments and picking up goods, and conducting quality inspections for storage, ensuring orderly and compliant operations across all procurement stages.

General Procedure for Product Procurement	
1.	Plan: Develop procurement plans for oil and gas products based on business demand and supplier conditions.
2.	Research: Monitor market trends and track pricing changes in surrounding markets.
3.	Implement: The Operations Department negotiates with qualified suppliers on product types, quality standards, quantities, prices, transportation methods, delivery locations and times, payment terms, and loss rates according to the oil procurement requirements, and submit final procurement plan for approval.
4.	Product inspection: After the products arrive at the warehouse, laboratory technicians from quality inspection centre will conducts sampling and testing according to the regulations. Products meeting the required standards handled in accordance with the standards for receiving and unloading oil, with warehouse receipts issued.
5.	Payment approval: Operation Department submits payment applications for approval based on the oil procurement plan and purchase contracts. Specific payment approval flow is implemented in accordance with the "Fund Payment Management Measures".

Gas and petroleum refuelling station business

The business segment prioritises the following factors in the process of selecting and engaging of suppliers:

1. Legitimate production/operation enterprises approved by relevant national authorities;
2. A sound quality control system;
3. Strong technical capabilities;
4. Good management standards; and
5. Strong commercial reputation and integrity record.

All suppliers are required to provide third-party inspection reports on gas and fuel quality. The Group incorporates environmental and social performance into supplier assessments, and conducts on-site visits and market research for comprehensive risk identification and evaluation. All collaborating suppliers of the Group are well-established local enterprises with reputable track records.

To strengthen institutional management, the Group has formulated and strictly implemented internal procurement policies, including “Gas Procurement Management System” and “Oil Product Procurement Management System”. The Group typically enters into annual gas supply framework agreements with its suppliers, clearly specifying arrangements regarding pricing, procurement methods, delivery, and payment terms. In addition, the Group assesses and establishes a backup supplier programme to address potential market fluctuations or unexpected supply disruptions, thereby enhancing supply chain stability.

In daily operations, the Operations Department is responsible for formulating annual procurement plans and overseeing the overall procurement process. Gas refuelling stations under the Group are required to complete procurement, acceptance, and inspection procedures in accordance with the “Regulations on Gas Inbound and Outbound Management”, while the Finance Department is responsible for arranging the related payments. In terms of quality control, the Operations Department is responsible for verifying the gas and fuel inspection reports provided by suppliers. If any non-compliance with the required standards is identified, the Group will immediately communicate with the supplier and request corrective actions. Suppliers can continue their cooperation with the Group only after completing rectification and meeting the required standards. Where necessary, the Group will activate backup supplier plans to ensure business continuity. In FY2025, the Group did not encounter any supplier violations or non-compliance.



Transportation business

The Group’s oil and gas transportation services mainly involve the transportation of natural gas, LNG, petroleum, and diesel. After procurement from major oil depots and refineries, the products are transported by the Group’s transportation fleets to gas and petroleum refuelling stations, where they are stored and sold following successful inspection and acceptance.

To ensure the standardised operation of transportation and procurement processes, the Group’s Procurement Department manages supplier selection and procurement activities in accordance with internal policies such as the “Equipment Management Regulations”, “Material Procurement Management System” and “Measures for the Management of Tendering and Bidding for Bulk Purchasing Projects”. Suppliers are primarily evaluated through tendering method, with key assessment criteria including business licences, tax registration certificates, quality management systems, corporate images, after-sales service capabilities, and national compulsory product certifications, such as the “Refined Oil Retail Business License” and “Pressure Vessel Production License”. Only suppliers that meet national legal requirements and the Group’s internal standards are eligible for collaboration.

The Group requires all business partners to comply with applicable laws and regulations, and continuously monitors their operational status and potential risks through regular on-site visits and risk assessments. Meanwhile, the Group places strong emphasis on safety management in transportation operations, with the Safety Department providing guidance on safe operating practices and maintaining a comprehensive emergency response mechanism to address potential incidents. In addition, the Group’s product quality inspection centre conducts acceptance inspections on all procured products in accordance with relevant national standards to ensure that product quality meets the required specifications.

Supplier Risk Assessment	
• License for operations • Compliance with safety requirements • Conformance to agreements for collaboration • Potential safety risks in transportation route	

Adhering to environmental compliance principles, the Group collaborates only with suppliers who uphold environmental regulations and business ethics, integrating green procurement practices into its sourcing processes. In terms of equipment selection, priority is given to products featuring environmentally friendly designs or enhanced transportation efficiency, such as the adoption of aluminium alloy trailers and innovative bottom-loading fuel designs, to reduce environmental impacts during transportation. In addition, based on compliance requirements, the Group gives preference to local suppliers to shorten transportation distances and reduce associated emissions. Procurement departments within each business segment are responsible for coordinating and supervising green procurement practices to ensure effective implementation of relevant policies across the organisation.

In FY2025, the Group maintained collaborative relationships with a total of 91 suppliers, all of which were in China. Among them, there were 65 suppliers located in the province where the Group’s entities operate, and 26 suppliers located in other regions. The general supply chain management policy and green procurement policy of the Group apply to all its suppliers.

B.6 Product Responsibility

In FY2025, the Group complied with laws and regulations relating to its products and services' health and safety, advertising, labelling and privacy matters, including but not limited to:

- Product Quality Law of the People's Republic of China;
- Production Safety Law of the People's Republic of China;
- Fire Protection Law of the People's Republic of China;
- Metrology Law of the People's Republic of China;
- Road Traffic Safety Law of the People's Republic of China;
- Regulation of the People's Republic of China on Road Transport;
- Hazardous Chemical Management Regulations;
- Regulation of Gas Cylinder Filling; and
- Regulation of Automobile Transportation of Dangerous Goods, etc

The Group upholds its core philosophy and development goal of "Market-oriented, Customer-centric, Brand-based Chain, Management Excellence, and Become a Leading Comprehensive Energy Supply Chain Management Company in China". In line with this vision, the Group continues to enhance product quality and service standards. Through internal policies such as the "Oil Products Quality Management Measures" and "Customer Complaint Handling Management Measures", the Group has established a comprehensive control mechanism covering the entire process from procurement, storage, and transportation to sales, ensuring that its products remain safe and reliable while continuously improving the customer experience.



Gas and petroleum refuelling station business

The Group fully recognises that product quality is directly linked to consumer rights and corporate reputation. To this end, the Group continuously enhances its quality management system, striving to provide customers with safe, stable and reliable energy products, with a service target of maintaining customer satisfaction at above 90%.

To ensure operational safety and product quality, the Group's Operations Department and Quality Management Department regularly review and test operational procedures to ensure that all practices comply with regulatory requirements and internal standards. The Group has obtained relevant statutory operating licences, including the "Pressure Vessel Use License", "Cylinder Filling Certificate" and Gas Business License", and has also obtained ISO 9001 Quality Management System certification, demonstrating its commitment to robust quality management.

The Group has established and implemented the "Oil Quality Management Measures", which set out a comprehensive quality control framework covering all stages of the "procurement, storage, transportation, and sales" processes. In addition, the "Regulations on the Management of Submission for Inspection" clearly define the roles and responsibilities of relevant departments in product testing and supervision, including:

- The Quality Management Department is responsible for approving relevant management regulations and supervising inspection procedures;
- The quality inspection centre and laboratories of each subsidiary are responsible for testing submitted oil products, consolidating inspection results, and handling qualified products; and
- The Retail Management Department, the Product Scheduling Centre, and the station management centres of each subsidiary are responsible for planning and arranging product inspections schedules.

In case of any product quality incidents, the Group will initiate the corresponding procedures in accordance with the "Oil Quality Management Measures". Where necessary, product recall procedures will be implemented in an orderly manner following established protocols to ensure timely risk control. If non-conformities are identified during unloading, storage or outbound inspection at oil depots, the quality inspection centre will immediately report the issue to oil dispatch centre. The treatment method will be reviewed and determined by the manager of the oil dispatch centre. For non-compliant products identified during storage or outbound stages, product dispatch will be immediately suspended, and a joint investigation will be conducted by oil dispatch centre and the oil depot. Investigation results will be reported to the relevant authorities, and responsibilities will be pursued in accordance with applicable procedures to prevent recurrence.

In FY2025, guided by the “Principles for the Implementation of Customer-oriented Service Culture”, the Group strictly implemented the “Measures for the Management of Customer’s Complaints”, which clearly set out procedures for complaint acceptance, investigation, response and follow-up to ensure that customer feedback is properly addressed. The Group has also established dedicated customer complaint investigation and system improvement team as well as the customer service team of the Retail Management Department to follow up and handle customer complaints. The Group regularly consolidates and analyses complaint cases to identify areas for improvement in service processes or operational procedures. Based on the analysis, improvement measures are formulated to enhance overall service quality.

With respect to intellectual property protection, the Group adheres to the principle of integrity in operations and complies with applicable laws and regulations, including the Patent Law of the People’s Republic of China, the Intellectual Property Law of the People’s Republic of China and the Tort Law of the People’s Republic of China. The Group also adheres to the Patent Technology Confidentiality Management Regulations to strengthen the internal management and protection of patents and technical information. The Group has applied for and holds several key patents, including “Preparation Equipment and Process and Thereof of a Type of Low Propane and High Olefin Liquefied Petroleum Gas”, “Preparation Equipment of a Type of Low Propane and High Olefin Liquefied Petroleum Gas”, “Gas Station Card and Machine Management System V1.01”, and “Yafei Distribution ERP Management System V1.6”, etc. Where any intellectual property rights are infringed, the Group will take legal action to protect its rights and interests.

The Group places high importance on customer privacy and data security. In compliance with applicable laws and regulations, including the Law of the People’s Republic of China on the Protection of Customer Rights and Interests, the Group has implemented “Customer Information Confidentiality System” to clearly identify information types, access authority and information handling procedures. All personal data collected during the Group’s operations are treated as confidential information, and employees are strictly prohibited from disclosing customer information to any third party without authorisation of customers. The relevant database is centrally managed by a professional external company and operates under a strict internal approval process. Access to critical information requires authorisation from the General Manager to ensure data security and integrity.

In terms of product promotion, the Group complies with the Advertising Law of the People’s Republic of China and other applicable regulations. The Group also requires formal contracts to be signed with third parties in accordance with internal policies to regulate promotional activities and ensure that all marketing content is truthful, accurate, and legal. All promotional and marketing activities must be submitted for internal approval through formal application forms, specifying the departments involved, the objectives of the activity and the policy requirement.

Transportation business

To ensure the safety and compliance of its transportation business, the Group has formulated and implemented a series of internal policies, including the “General Code of Conduct on Safety”, the “Vehicle Engine Ignition Safety Management Procedures”, and the “Work at Heights Safety Management Procedures”. The Group also strengthens risk prevention and control through a range of routine measures, including:

1. Conducting safety inspections of key vehicle components, such as valves, pipelines and flange parts, before departure, during transit, and after return;
2. Conduct regular vehicle hazard identification and rectification inspections;
3. Monitor transport vehicles in real-time via road risk assessments, GPS and video surveillance systems to control routes and locations;
4. Adopt electronic lead seals to ensure oil safety and volume accuracy;
5. Require personnel to rigorously verify the serial number and quality of oil products;
6. Optimise safety precautions during oil unloading;
7. Adjust transportation schedules based on weather conditions and customer requirements to avoid operations during adverse weather;
8. Strictly prohibit overloading, speeding, and fatigued driving; and
9. Establish a monitoring centre operated by dedicated personnel to manage electronic escort systems.

The Group also organises regular safety training for drivers, combining lectures with written tests to enhance drivers’ safety awareness and emergency response capabilities.

The Group deeply values customer feedback and has established a complaint response mechanism. Employees are required to promptly verify and follow up on customer feedback through methods such as monitoring, calls, or on-site communication, thereby enhancing service transparency and customer satisfaction. Since FY2024, the Group has introduced a mystery shopping inspection and supervision mechanism, engaging third-party professional evaluators to conduct objective assessments of service procedures and staff performance. The evaluation results serve as an important reference for subsequent service improvement initiatives.

Product and service innovation

The Group regards product and service innovation as a key driver of its high-quality development. In FY2025, the Group invested over RMB1 million to optimise its existing business models and expand into new service scenarios, aiming to enhance end-user experience and operational efficiency while further strengthening its market competitiveness.

During the year under review, the Group expanded its new energy vehicle charging infrastructure to progressively enhance its green energy supply network, addressing the growing demand for charging services driven by the expanding electric vehicle market. Meanwhile, to meet the diverse travel needs of users, the Group introduced convenient car wash services at certain stations, thereby elevating the comprehensive service capabilities of its network.

Leveraging its solid operational foundation and continuously deepening innovation initiatives, the Group received several recognitions and honours in 2025. These included being listed among the “2024 Top 100 Tax-Contributing Enterprises in Changchun Industry*”, ranking 11th in the “2025 Changchun Top 100 Enterprises”, and 3rd in the “2025 Changchun Top 100 Private Enterprises”. The Chairman of the Board of the Group was also recognised as one of the “2024 Top 100 Outstanding Contributing Entrepreneurs in Changchun”.

These achievements not only affirm the Group’s operational performance and governance capabilities but also reflect its sustained efforts and significant contributions in driving industrial development, expanding employment opportunities, and fulfilling social responsibilities. Looking ahead, the Group will continue to drive development through innovation and uphold responsibility as its foundation to strengthen its core competitive advantages and demonstrate leadership within the industry. While pursuing its high-quality development, the Group will also contribute to local economic prosperity and sustainable social development.

Since labelling is not applicable to the Group, the relevant information is not disclosed in this ESG report. In FY2025, the Group did not recall any products/services sold for safety and health reasons and did not receive any complaints. During the year under review, the Group was not in violation of any of the relevant laws and regulations in relation to the quality, health and safety, advertisement, label and privacy of its products that have a significant impact on the Group.

* Translation for identification purpose only

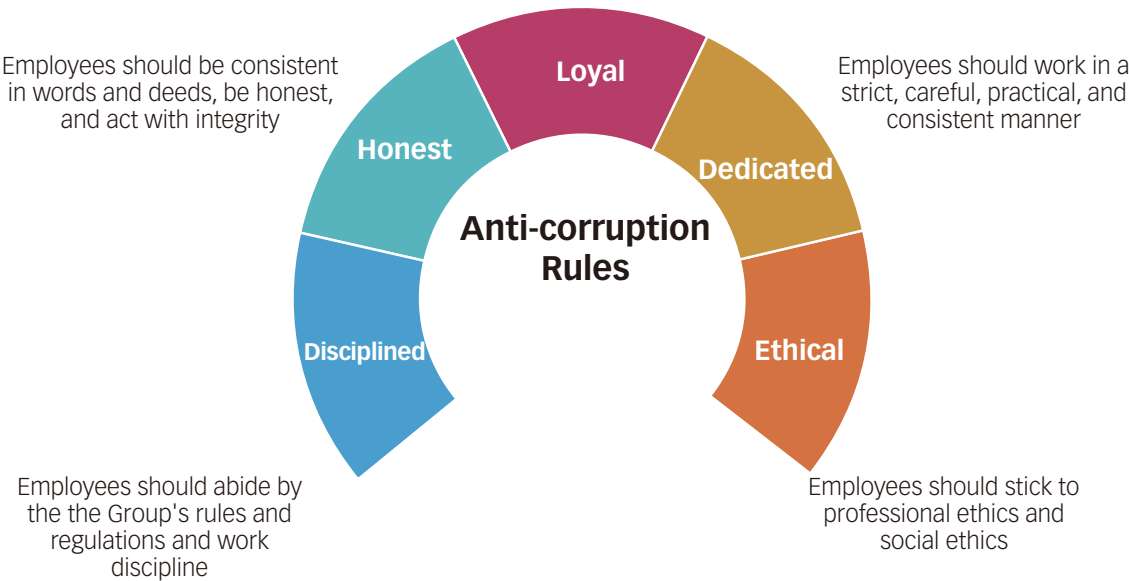
B.7 Anti-corruption

Integrity in business operations is a core principle of the Group’s corporate governance framework. The Group complies with applicable anti-corruption and bribery laws and regulations in the regions where it operates, including the Anti-Corruption Law of the People’s Republic of China and the Law of the People’s Republic of China on Anti-money Laundering. To strengthen risk identification and internal control effectiveness, the Group established the Work Ethics Compliance Internal Audit Department in FY2021 as a dedicated supervisory unit responsible for investigating misconduct, conducting compliance reviews and providing guidance on system optimisation, thereby strengthening risk prevention in business operations at the source.

The Group has formulated relevant guidelines such as the “Employee Handbook” and “Employee Code of Conduct”, which clearly define employees’ integrity obligations and behavioural boundaries, strictly prohibiting any form of fraudulent conduct or improper gain. The Group adopts a zero-tolerance stance towards bribery and corruption. Through inspection internal audit, special internal audit, financial audit, the Group enhances the depth and scope of its supervision to ensure the fairness and compliance of business operations.

The Group requires all employees to strictly adhere to professional ethics standards and comply with the following code of conduct:

The Group is the platform where employees can achieve self-worth. Employees should be loyal to the company



As supporting institutional measures, the Group has implemented the “Reporting Hotline Management System”, “Conflict of Interest Management System” and “Gift Giving and Receiving Management System”, and has established multi-channel reporting and grievance mechanisms to encourage employees and stakeholders to report suspected misconduct. All reported cases are handled in accordance with established procedures, including:

- Formally receive the report and record its establishment;
- Submit the relevant case to the Board for review and approval to initiate an investigation;
- Conduct an independent investigation under strict confidentiality;
- Review and discuss investigation findings and supporting evidence;
- Report investigation conclusions to the Board;
- the Human Resources Department takes appropriate disciplinary action in accordance with the Group’s internal regulations; and
- Announce the case results and resolution to all employees.

Throughout the investigation process, the Group implements strict confidentiality measures for all reported matters to ensure whistleblowers are protected from any form of retaliation. For substantiated illegal and criminal activities, the Group will report such cases to relevant regulatory or law enforcement authorities when the management deems necessary.

The Group organised around 50 anti-corruption training sessions and related activities in FY2025, with a total of 3,704 training hours. All management members and employees participated in the training during the year under review, including 88 management members and 1,176 general employees, further strengthening a culture of integrity across the organisation.

In FY2025, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees. During the year under review, the Group was not in violation of any of the relevant laws and regulations in relation to bribery, extortion, fraud, and money laundering that have a significant impact on the Group.

B.8. Community Investment

The Group firmly believes that the sustainable development of an enterprise is inseparable from the prosperity and inclusiveness of the communities in which it operates. As a company rooted in the local economy, we place high importance on the long-term cultivation of urban cultural development and social well-being while driving steady business growth and creating economic value. During FY2025, the Group continued to deepen its community investment efforts, actively fulfilling its corporate social responsibilities with cultural heritage promotion as an important bridge connecting the enterprise and the community.

During the year, the “United Strength Cup” series of chess tournaments was organised throughout the year, forming a well-structured competition system with broad participation. From the New Year’s Day and Spring Festival chess tournaments marking the beginning of the year, to citywide team championship competitions; and from the “Chess King Tournament*” showcasing Changchun’s high-level competitive strength to the First Changchun Intellectual Sports Games and the “United Strength Cup”, the Group has steadily established the “United Strength Cup” as a representative and influential community sporting event in Changchun, promoting the popularisation and inheritance of traditional chess culture.

In response to the national initiative to promote the development of mind sports, the Group co-organised the Chess event of the First Changchun Intellectual Sports Games and the “United Strength Cup” together with local government departments and relevant institutions. The event attracted nine representative teams and more than 50 players to compete on the same stage. This event further stimulated public enthusiasm for intellectual sports, offering chess enthusiasts of all ages and regions a valuable opportunity to exchange skills and build friendships.



Looking ahead, the Group will continue to enrich the “United Strength Cup” brand and explore more diversified community investment approaches. We will further expand our engagement in cultural and sports-related public welfare initiatives, contributing to the development of a more vibrant and cohesive urban community environment.

* Translation for identification purpose only

VII. REPORT DISCLOSURE INDEX

SEHK ESG Code Index

Aspect	ESG Indicator	Description	Page
A. Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</i> <i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i> <i>Hazardous wastes are those defined by national regulations</i>	39
	KPI A1.1	The types of emissions and respective emissions data.	40
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	No significant hazardous waste was generated during the year under review.
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	40
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	47
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	42, 47

Aspect	ESG Indicator	Description	Page
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	42, 43
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	43
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	43
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	47
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	45
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	42
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	46
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	46, 47

Aspect	ESG Indicator	Description	Page
B. Social			
Employment and Labour Practices			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	56
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	57
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	60
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	63
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	65
	KPI B2.2	Lost days due to work injury.	65
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	63-65

Aspect	ESG Indicator	Description	Page
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer</i>	65
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	67
	KPI B3.2	The average training hours completed per employee by gender and employee category.	68
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	68
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	68
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	68
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	69
	KPI B5.1	Number of suppliers by geographical region.	71
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	69-71
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	69-71
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	71

Aspect	ESG Indicator	Description	Page
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	72
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	76
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	76
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	74
	KPI B6.4	Description of quality assurance process and recall procedures	73
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	74
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	77
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	78
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	77, 78
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	78

Aspect	ESG Indicator	Description	Page
Community			
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	79
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	79
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	79
D: Climate-related Disclosures			
Governance	19 (a)	Information about the governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.	49
	19 (b)	Information about the management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	49
Strategy	20	Information that enables an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	49, 50
	21	Information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	49, 50
	22	Information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making.	49, 50
	23	Information about the progress of plans disclosed in previous reporting periods.	49, 50

Aspect	ESG Indicator	Description	Page
Risk Management	24 (a)	Qualitative and quantitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	49 ,50
	24 (b)	Qualitative and quantitative information about the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	51
	25	Qualitative and quantitative disclosures about how the issuer expects its financial position, financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	51
	26 (a)	Information about the issuer's assessment of its climate resilience as at the reporting date.	51, 52
	26 (b)	Information about how and when the climate-related scenario analysis was carried out.	51, 52
	27 (a)	Information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks.	52
	27 (b)	Information about the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities.	52
	27 (c)	Information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	52

Aspect	ESG Indicator	Description	Page
Metrics and Targets	28	Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent.	53
	29	Information about the approach it uses to measure its greenhouse gas emissions.	53
	30	The amount and percentage of assets or business activities vulnerable to climate-related transition risk.	54
	31	The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	54
	32	The amount and percentage of assets or business activities aligned with climate-related opportunities.	54
	33	The amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	54
	34	Information about whether and how the issuer is applying a carbon price in decision-making, the price of each metric tonne of greenhouse gas emissions; or an appropriate negative statement.	54
	35	Information about whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	54
	36	Information about industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	54
	37	The qualitative and quantitative information about a) climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	54, 55

Aspect	ESG Indicator	Description	Page
	38	Information about its approach to setting and reviewing each target, and how it monitors progress against each target.	54, 55
	39	Information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	55
	40	Information about each greenhouse gas emissions target regarding coverage, gross or net target, derived approach and the plan of using carbon credit.	54, 55
	41	Information about the applicability of cross-industry metrics and industry-based metrics when preparing this climate-related disclosure.	54

* The index for climate-related disclosures was extracted and derived from the "Part D: Climate-related Disclosures" of the "Appendix C2: Environmental, Social and Governance Reporting Code" for identification purposes. Please refer to the original document published by SEHK for full information.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

The Company has five executive Directors and three independent non-executive Directors. Their details are set out below:

EXECUTIVE DIRECTORS

Mr. Zhao Jinmin (趙金岷先生), aged 57, is the Chairman of our Board, an executive Director and the Chief Executive Officer. He is primarily responsible for supervising the overall operations of our Group and planning our business and marketing strategies. Mr. Zhao was appointed as a Director on 19 December 2016 upon the incorporation of our Company and was re-designated as an executive Director on 21 March 2017. As one of the founders of our Group, Mr. Zhao has about 20 years of experience in the oil and gas industry. Since March 1999 up to March 2017, he has been a director of Changchun Yitonghe Petroleum Distribution Company Limited ("Changchun Yitonghe"), which has been principally engaged in the distribution of petroleum and/or gas to vehicular end-users by operating petroleum refuelling stations, sales of petroleum products and other petroleum-related businesses.

Mr. Zhao was awarded a Bachelor degree in Industrial Engineering and Management (工業管理工程專業) from the School of Management, Jilin University of Technology (吉林工業大學) (now renamed as Jilin University (吉林大學)), the PRC, in July 1990.

Since the incorporation of Longjing United Strength Energy Development Company Limited (龍井眾誠能源發展有限公司) in July 2007, Mr. Zhao has been acting as one of its directors. He has been appointed as a director of Yanbian United Strength Energy Technology Development Company Limited (延邊眾誠能源技術開發有限公司) since October 2008 and he has also been serving as the sole director and general manager of Wuchang City Qinglian Gas Company Limited (五常市慶聯燃氣有限公司) since June 2010. Mr. Zhao has been the sole director of United Strength Power International Limited and United Strength Power HK Limited since their respective incorporations. Mr. Zhao is also a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Liu Yingwu (劉英武先生), aged 57, is an executive Director. He is primarily responsible for overseeing the operation and management of our businesses. Mr. Liu was appointed as a Director on 16 March 2017 and was redesignated as an executive director on 21 March 2017. As one of the founders of our Group, Mr. Liu has about 20 years of experience in the oil and gas industry. He has been a director of Changchun Yitonghe since March 1999 up to March 2017, responsible for overseeing the management and supervising the operation of the distribution of CNG, LNG and/or LPG to vehicular end-users by operating gas refuelling stations.

Mr. Liu was awarded a Bachelor degree in Industrial Engineering and Management (工業管理工程專業) from the School of Management, Jilin University of Technology (吉林工業大學) (now renamed as Jilin University (吉林大學)), the PRC, in July 1990.

Since February 2012, Mr. Liu has been serving as the sole director of Jilin Dongkun Gas Company Limited (吉林東昆燃氣有限公司). He has also been the sole director and the general manager of Liaoyuan City Hengtai Clean Energy Company Limited (遼源市恒泰清潔能源有限公司) since March 2012. Mr. Liu has been serving as the chairman and a director of each of Changchun Sinogas and Jilin Chinese Petroleum Clean Energy Environmental Protection Company Limited (吉林中油潔能環保有限責任公司) since December 2014 and October 2014, respectively. Mr. Liu is also a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Ma Haidong (馬海東先生), aged 46, is an executive Director who joined our Group in August 2020. He is primarily responsible for the management and operation of the Group's petroleum refuelling business and the petroleum wholesale business, focusing on the petroleum refuelling station operation, which involves general operations, procurement and marketing affairs. Mr. Ma has over 15 years of experience in the oil and gas industry. Mr. Ma joined as a gas station master in April 2004. He worked as a manager at Changchun Longxing Liquified Gas Company (長春隆興液化氣公司) between March 2006 and February 2011 and was the manager of Shenyang Xinxin between June 2014 and March 2018. He has been serving as an assistant to president of Changchun Yitonghe since March 2018. He has been serving as a director of Shenyang United Strength since May 2017. Mr. Ma obtained a Bachelor degree in Management from Shenyang Institute of Chemical Technology (瀋陽化工學院) (now renamed as Shenyang University of Chemical Technology (瀋陽化工大學)), the PRC, in July 2004. Mr. Ma obtained the qualification as a senior economist conferred by Jilin Province Human Resources and Social Security Protection Department (吉林省人力資源和社會保障廳) in January 2011. Mr. Ma was a committee member of the Shenyang City Shenbei New District Committee of the PRC Political Consultative Conference (中國人民政治協商會議瀋陽市瀋北新區政協委員會) from February 2015 to October 2017.

Mr. Wang Zhiwei (王志偉先生), aged 59, is an executive Director and currently the general manager of Changchun Sinogas Company, Ltd. ("**Changchun Sinogas**"), an indirect wholly owned subsidiary of the Company. Mr. Wang's major responsibilities in the Group include supervising and managing the operation of the gas refuelling stations with a particular focus in those located in Changchun City, Jilin Province. Mr. Wang joined the Group in February 2012 as the general manager of Jilin Dongkun Gas Company Limited. Mr. Wang has also been a director of Jilin Chinese Petroleum Clean Energy Environmental Protection Company Limited since October 2014. During the period from December 2014 to August 2015, he was the general manager of Changchun Sinogas and was reappointed in October 2016. He has also been the sole director and the general manager of Meihekou City Yujia Petrochemical Company Limited since December 2016. Mr. Wang was awarded a Bachelor degree in Industrial Engineering and Management (工業管理工程專業) from the School of Management, Jilin University of Technology (吉林工業大學) (now renamed as Jilin University (吉林大學)), in July 1990.

Ms. Bian Xiaodan (邊曉丹女士), aged 43, is the Chief Administrative Officer who joined our Group in March 2017. She is mainly responsible for overseeing the human resources, administration and public relations matter of our Group. Prior to joining our Group, Ms. Bian has served as the secretary of the board of directors of Changchun Yitonghe during the period from November 2006 to March 2017. She has more than 10 years of experience in general administration and affairs of corporations. Ms. Bian obtained a Master degree in Business Administration from the Asia International Open University (Macau) (亞洲(澳門)國際公開大學) (now renamed as City University of Macau (澳門城市大學)), Macau in November 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Su Dan (蘇丹女士), aged 45, was appointed as an independent non-executive Director on 21 September 2017. Ms. Su obtained a Bachelor degree in Language and Literature (文學學士) at the Beijing Foreign Studies University (北京外國語大學), the PRC, in July 2002. Ms. Su subsequently obtained a Master degree in Public Administration from the Columbia University, the USA, in October 2005. She was awarded the certificate of independent director qualification (獨立董事資格證書) issued by the Shanghai Stock Exchange in September 2012. Ms. Su has over ten years' experience in the banking and financial industry. Currently, she is a director of Chinaway International Development Ltd. (漢通國際發展有限公司), a company principally engaged in the provision of market analysis and corporate finance advisory service and is responsible for providing consultancy services to corporate clients. During the period from January 2007 to December 2012, Ms. Su has worked under various managing position in a number of banks or financial institutes, including ICEA Capital Limited (工商東亞融資有限公司), ICBC International Capital Limited (工銀國際融資有限公司) and HSBC Private Bank (Suisse) SA, Hong Kong Branch (匯豐私人銀行(瑞士)有限公司香港分行).

Mr. Lau Ying Kit (劉英傑先生), aged 52, was appointed as an independent non-executive Director on 21 September 2017. Mr. Lau is currently the director of finance and investor relations, company secretary of Dalipal Holdings Limited (stock code: 1921) and an independent non-executive director of **KangLi International Holdings Limited (stock code: 6890), **Kingdom Holdings Limited (stock code: 528), **Sinco Pharmaceuticals Holdings Limited (stock code: 6833) **Shenzhen Edge Medical Co., Limited (stock code: 2675), and a director of *KP3993 Resources Inc. (TSXV: KPEN.P). Mr. Lau was also the independent non-executive director of Xiezhong International Holdings Limited (delisted company) from May 2012 to October 2020 and **China Wood Optimization (Holding) Limited (stock code: 1885) from December 2013 to February 2022. Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a Master's degree in finance from the City University of Hong Kong. He has extensive experience in financial and accounting in China and Hong Kong.

Mr. Zhang Zhifeng (張志峰先生), aged 63, was appointed as an independent non-executive Director on 27 November 2018. Mr. Zhang has more than 37 years' valuable experience in banking and financing industry. Mr. Zhang is currently a senior account manager of Changchun Branch of Jilin Province of Industrial and Commercial Bank of China Limited ("ICBC"). Since November 2001, Mr. Zhang has held various management positions in different branches of ICBC. Mr. Zhang graduated with a Bachelor degree in Economic Management at the Jilin Provincial Party School of the Communist Party of China (中共吉林省委黨校) in March 2002.

SENIOR MANAGEMENT

Mr. Lo Wai Kit (盧偉傑先生), aged 53, is the Chief Financial Officer and Company Secretary of our Company who joined our Group in March 2017. He is mainly responsible for overseeing the finance, accounting and company secretarial matters of our Group. Mr. Lo obtained a Bachelor degree of Arts (Honours) in Accountancy from the City University of Hong Kong, Hong Kong in November 1995. He is an associate member of the Association of Chartered Certified Accountants, a fellow member of the HKICPA and a Chartered Financial Analyst. Mr. Lo has over 18 years of experience in accounting and financial areas. Prior to joining our Group, Mr. Lo has been the company secretary and qualified accountant of **Asia Cement (China) Holdings Corporation (stock code: 743) from December 2007 to March 2017, responsible for handling the finance and company secretarial matters.

Mr. Meng Xiange (孟憲革先生), aged 58, is the general manager of Longjing United Strength Energy Development Company Limited (龍井眾誠能源發展有限公司). Prior to joining our Group, Mr. Meng has about 21 years of experience in the brewery business including holding various managing positions in such companies. Mr. Meng's major responsibilities in our Group include supervising and managing the operation of the refuelling stations with a particular focus in those located in Yanji City, Longjing City and Helong City, Jilin Province. Mr. Meng was awarded a Bachelor degree in Machinery and Equipment Manufacturing Engineering (機械製造工藝及設備專業) from Jilin Institute of Technology (吉林工學院) (now renamed as Changchun University of Technology (長春工業大學)), the PRC, in July 1988.

Mr. Peng Wei (彭偉先生), aged 60, is the head of Information Management Department of the Group. He is mainly responsible for the management and operation of the petroleum refuelling business and the petroleum wholesale business, focusing on the information technology system management. Mr. Peng graduated from the China Textile University (中國紡織大學) (now renamed as Donghua University (東華大學)), the PRC in July 1988 and specialised his studies in Industrial Electrical Automation (工業電氣自動化專業). He also obtained the qualification as a senior engineer in computer science (計算機專業) conferred by Jilin Province Human Resources Protection Department* (吉林省人力資源保障廳) in January 2012. Mr. Peng has been a committee member of the Jilin Province Changchun City Erdao District Committee of the PRC Political Consultative Conference* (中國人民政治協商會議吉林省長春市二道區政協委員) with the effective period from October 2016 to October 2021.

Mr. Wang Chuang (王闖先生), aged 54, is the head of Storage and Logistics Department of the Group. He is primarily responsible for the management and operation of the petroleum refuelling business and the petroleum wholesale business, focusing on the management of and daily operation of the petroleum storage facilities and the transportation vehicle fleet. Mr. Wang Chuang obtained a Bachelor degree in Engineering and a Master degree in Business Administration from Dalian University of Technology (大連理工大學), the PRC, in July 1992 and June 2001, respectively.

Mr. Zhang Hongtu (張宏圖先生), aged 49, is the vice head of Safety Department of the Group. He is primarily responsible for the management and operation of the petroleum refuelling business and the petroleum wholesale business, focusing on the operation safety and management of the petroleum refuelling stations and storage facilities. Mr. Zhang completed his studies in economic law at Jilin Province Institute of Technology* (吉林工學院) (now renamed as Changchun University of Technology (長春工業大學)), the PRC, in July 1998, and further completed his studies in law and obtained a graduation certificate of Self-taught Higher Education Examinations* (高等教育自學考試) from Jilin Province Higher Education Self-study Examination Committee (吉林省高等教育自學考試委員會) and Jilin University (吉林大學), the PRC, in December 2004.

Ms. Liu Guowei (劉國偉女士), aged 46, is the head of Human Resources Department of the Group. She is mainly responsible for the management and operation of the petroleum refuelling business and the petroleum wholesale business, focusing on the human resources management including recruitment and manpower deployment. Ms. Liu completed her studies in secretarial profession* (文祕專業) and obtained a graduation certificate of Self-taught Higher Education Examinations* (高等教育自學考試畢業證書) from Jilin Province Higher Education Self-study Examination Committee (吉林省高等教育自學考試委員會) and Jilin University, the PRC, in December 2005.

** companies listed on The Stock Exchange of Hong Kong Limited

* company listed on TSX Venture Exchange



DIRECTORS' REPORT

The Directors are pleased to present their Annual Report, including the audited consolidated financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group's principal business activities are engaged in the sale of petroleum and natural gas to vehicular end-users by operating refuelling stations, wholesale of refined oil products business and provision of petroleum and gas transportation services. The activities of the principal subsidiaries are set out under Note 12 of the Notes to the Financial Statements in the Independent Auditor's Report on pages 149-151 of this annual report. The place of business operation of the major operating subsidiaries is the PRC. Details of changes in the nature of the Group's principal activities during the year ended 31 December 2025 are set out in the "Management Discussion and Analysis" of this annual report.

BUSINESS REVIEW

A fair review of the business, business outlook and the key financial performance indicators of the Group are provided in the "Management Discussion and Analysis" of this annual report. In addition, more details regarding the Group's performance in relation to environmental and social-related policies, an account of the Group's relationship with its key stakeholders, as well as compliance with relevant laws and regulations which have a significant impact on the Group, are provided in the "Environmental, Social and Governance Report" and "Corporate Governance Report" of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 111-112 of this annual report.

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2025 (2024:HK\$0.04 per ordinary share).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 17 June 2026 to Tuesday, 23 June 2026, both days inclusive, during which period no transfer of shares of the Company will be effected. The record date for determining the eligibility of the Shareholders to attend and vote at the annual general meeting will be 23 June 2026. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 16 June 2026.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2025 are set forth in note 23 to the consolidated financial statements and in the consolidated statement of changes in equity on page 115 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the Cayman Islands Companies Law, amounted to approximately RMB637.8 million. The amount of approximately RMB637.8 million includes the Company's share premium account of approximately RMB670.1 million which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

PROPERTY, PLANT AND EQUIPMENT

Details of movement of property, plant and equipment of the Group, during the year in the fixed assets are set out in note 11 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital of the Company during the year are set forth in note 23 to the financial consolidated statements and in the section headed "Directors' Report – Share Option Scheme" in this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the Group's purchases and revenue from sales of goods or rendering of services attributable to major suppliers and customers are as follows:

Percentage of purchases attributable to the Group's largest supplier	39%
Percentage of purchases attributable to the Group's five largest suppliers	86%
Percentage of revenue attributable to the Group's largest customer	3%
Percentage of revenue attributable to the Group's five largest customers	9%

Jilin Province Songyuan Petrochemical Company Limited ("Songyuan Petrochemical") was one of the top five suppliers of the Company and a connected person of the Company by virtue that Mr. Zhao Jinmin, an executive Director and one of the controlling shareholders, owned more than 30% of the registered capital in Changchun Yitonghe. Given Songyuan Petrochemical was owned as to approximately 97.87% by Changchun Yitonghe, Songyuan Petrochemical is regarded as an associate of Mr. Zhao Jinmin, and hence a connected person of the Company pursuant to Rule 14A.12(1)(c) of the Listing Rules.

Aggregate sales attributable to the Group's five largest customers were less than 30% of the total turnover of the Group in both the years of 2024 and 2025.

Save for the above, none of the Directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the number of issued shares of the Company) has an interest in the major suppliers or customers noted above.

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Zhao Jinmin (*Chairman & Chief Executive Officer*)

Mr. Liu Yingwu

Mr. Ma Haidong

Mr. Wang Zhiwei

Ms. Bian Xiaodan

Independent Non-executive Directors

Ms. Su Dan

Mr. Lau Ying Kit

Mr. Zhang Zhifeng

In accordance with the Articles, one third of the Directors for the time being shall retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. Also, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. A circular containing the explanatory statement on repurchase by the Company of its shares, the biographical details of the Directors eligible for re-election and the notice of annual general meeting will be sent to shareholders of the Company in due course.

DIRECTORS' AND SENIOR MANAGERMENTS' BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out in pages 89 to 92 of this annual report.

DISCLOSURE OF INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed as update in Directors' and senior managements' biographies set out in pages 89 to 91 of this annual report, there are no changes to the Director's information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS OF THE COMPANY

Details of the emoluments of the directors and the five highest paid individuals of the Company in 2025 are set out in notes 8 and 9 to the consolidated financial statements.

The aggregate of basic salaries, housing allowances, other allowances and benefits in-kind of the 5 highest paid individuals of the Company for the financial year ended 31 December 2025 was amounted to approximately RMB5,145,000.

The aggregate of discretionary bonuses paid to the 5 highest paid individuals of the Company for the financial year ended 31 December 2025 was amounted to approximately RMB175,000.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this annual report, circular of the Company dated 30 June 2020 (the "**Circular**") and in the Prospectus, there was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a Director of the Company had a material interest subsisted at the end of the year or at any time during the year.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, there were no contract of significance in relation to the Group's business in which the Company, or any of its subsidiaries or fellow subsidiaries or a controlling shareholder of the Company was a party, and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year ended 31 December 2025 or at any time during the financial year ended 31 December 2025.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors entered into a service contract with the Company, Mr. Zhao Jinmin and Mr. Liu Yingwu have entered into a service contract with the Company commencing on 1 April 2017, and Mr. Ma Haidong, Mr. Wang Zhiwei and Ms. Bian Xiaodan have entered into a service contract with the Company commencing on 24 August 2020, 27 July 2022 and 29 August 2024 respectively, all of which may be terminated in accordance with the provisions of the service contract by either party giving to the other not less than three months' prior notice in writing.

The Company has issued an appointment letter to each of the independent non-executive Directors, being Ms. Su Dan, Mr. Lau Ying Kit and Mr. Zhang Zhifeng, commencing on 1 September 2017, 1 September 2017, and 27 November 2018 respectively, all of which may be terminated in accordance with the provisions thereof by either party giving to the other not less than three months' prior notice in writing.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable by the Group within one year without payment of compensation, other than normal statutory compensation.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has given an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guideline set forth in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2025 was the Company, or any of its holding company or subsidiaries, a party to any arrangements to enable the Directors or their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS AND OFFICERS INSURANCE

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against losses or liabilities which they may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto.

Appropriate insurance covers on directors' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure from the business of the Group since the Listing Date.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to notify to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were required to be and were entered in the register required to be maintained by the Company pursuant to section 352 of the SFO, or (c) were required, pursuant to the Model Code, as otherwise notified to the Company and the Stock Exchange, were as follows:

Long Position in the Shares of the Company

Name of Director	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholding in the Company
Mr. Zhao Jinmin ("Mr. Zhao") (Note 1)	Interest of a controlled corporation	209,829,240 (long position)	56.03%
Mr. Liu Yingwu ("Mr. Liu") (Note 2)	Interest of a controlled corporation	27,287,600 (long position)	7.29%
Ms. Bian Xiaodan ("Ms. Bian") (Note 3)	Interest of spouse	940,000 (long position)	0.25%

Notes:

- These underlying shares comprise (i) 138,049,240 Shares held in the name of Golden Truth Holdings Limited ("Golden Truth"); and (ii) 71,780,000 Shares held in the name of Propitious Peak Limited ("Propitious Peak"). Propitious Peak is wholly owned by Golden Truth which is in turn wholly owned by Mr. Zhao, our Chairman, an executive Director and Chief Executive Officer. By virtue of the SFO, Mr. Zhao is deemed to be interested in the shares in which Golden Truth and Propitious Peak are interested.
- These underlying shares comprise (i) 17,587,600 Shares held in the name of Heroic Year Limited ("Heroic Year"); and (ii) 9,700,000 Shares held in the name of Amber Heyday Limited ("Amber Heyday"). Amber Heyday is wholly owned by Heroic Year which is in turn wholly owned by Mr. Liu, an executive Director. By virtue of the SFO, Mr. Liu is deemed to be interested in the shares in which Heroic Year and Amber Heyday are interested.
- These 940,000 Shares were held by Ms. Bian's spouse. By virtue of the SFO, Ms. Bian is deemed to be interested in these Shares.

Long Position in the Shares of the Associated Corporations

Name of Director	Relevant Company	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of shareholding in the company
Mr. Zhao Jinmin	Golden Truth	Beneficial owner	100	100%
	Propitious Peak	Beneficial owner	100	100%

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executives of the Company and their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES

As at 31 December 2025 and to the best knowledge of the Directors and chief executives of the Company, persons (other than Directors or chief executives of the Company) who had an interest or short position, in the shares and underlying shares of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the Shares of the Company

Substantial shareholders

Name of Shareholder	Nature of interest/Capacity	Number of Shares	Approximate percentage of shareholding in our Company
Golden Truth (Note 1)	Beneficial owner and Interest of Controlled Corporation	209,829,240	56.03%
Propitious Peak (Note 1)	Beneficial owner	71,780,000	19.17%
Ji Yuanyuan (Note 2)	Interest of spouse	209,829,240	56.03%
Xu Hang (Note 3)	Interest of controlled corporation	37,931,400	10.13%
Dynamic Fame Global Limited (Note 3)	Beneficial owner and Interest of Controlled Corporation	37,931,400	10.13%
Immense Ocean Limited (Note 3)	Beneficial owner	14,550,000	3.89%
Heroic Year (Note 4)	Beneficial owner and Interest of Controlled Corporation	27,287,600	7.29%
Ma Dan (Note 5)	Interest of spouse	27,287,600	7.29%

Notes:

- These underlying shares comprise (i) 130,148,240 Shares held in the name of Golden Truth; and (ii) 71,780,000 Shares held in name of Propitious Peak Limited. Propitious Peak is wholly owned by Golden Truth which is in turn wholly owned by Mr. Zhao, our Chairman, an executive Director and Chief Executive Officer.
- Ji Yuanyuan is the spouse of Mr. Zhao. By virtue of the SFO, Ji Yuanyuan is deemed to be interested in the shares in which Mr. Zhao is interested.
- These underlying shares comprise (i) 23,381,400 Shares held in the name of Dynamic Fame Global Limited ("**Dynamic Fame**"); and (ii) 14,550,000 Shares held in name of Immense Ocean Limited ("**Immense Ocean**"). Immense Ocean is wholly owned by Dynamic Fame is in turn wholly owned by Ms. Xu Hang, our substantial shareholder. By virtue of the SFO, Ms. Xu Hang is deemed to be interested in the shares in which Dynamic Fame and Immense Ocean are interested.
- These underlying shares comprise (i) 17,587,600 Shares held in the name of Heroic Year; and (ii) 9,700,000 Shares held in name of Amber Heyday. Amber Heyday is wholly owned by Heroic Year which is in turn wholly owned by Mr. Liu, an executive Director.
- Ma Dan is the spouse of Mr. Liu. By virtue of the SFO, Ma Dan is deemed to be interested in the shares in which Mr. Liu is interested.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any persons (other than the Directors or chief executives of the Company) who also had interests or short positions on the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The terms of the Share Option Scheme were approved and adopted by the Company on 21 September 2017 (the **"Share Option Scheme"**). The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Company and to enable the Company and its subsidiaries to recruit and retain high-calibre employees.

Subject to the Listing Rules, the Directors may, at their discretion, offer eligible persons (being full time or part time employees, executive directors, non-executive directors and independent non-executive directors or consultant of the Group or any person whom the Board considers, in its sole discretion, has contributed or contributes to the Group) who the Board may in its absolute discretion select to subscribe the shares.

Initially the maximum number of shares which may be issued upon exercise of all the options to be granted under the Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10% of the aggregate number of the shares in issue as at the date of the Listing equivalent to 23,450,200 shares of the Company, which is approximately 6.3% of the issued share capital of the Company as at the date of this annual report.

The total number of shares which may be issued upon exercise of all the options granted and yet to be exercised under the Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the aggregate number of the shares in issue from time to time.

Unless approved by shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) under the Share Option Scheme or any other share option scheme adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) in any 12-month period must not exceed 1% of the shares in issue as at the date of grant.

The vesting periods, exercise periods and vesting conditions maybe specified by the Company at the time of the grant, and the share options shall expire no later than 10 years from the relevant date of grant.

At the time of the grant of the options, the Company may specify any performance target(s) which must be achieved before the options can be exercised. The Share Option Scheme does not contain any performance targets.

The amount payable by a grantee on acceptance of a grant of options is HK\$1.00. The subscription price for the shares of the Company being the subject of the options shall be no less than the highest of (i) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; and (iii) the nominal value of a share on the date of grant.

The total number of share options available for grant under the Share Option Scheme as at 1 January 2025 and 31 December 2025 were both 23,450,200 shares and 23,450,200 shares, respectively.

The total number of shares available for issue under the Share Option Scheme as at the date of the 2025 Annual Report is 23,450,200 shares, representing approximately 6.3% of the issued share capital of the Company (excluding treasury shares) as at the date of the 2025 Annual Report.

The Share Option Scheme will expire on 20 September 2027. No options have been granted under the Share Option Scheme as at 31 December 2025, or as at the date of this annual report and therefore, there was no Share may be issued in respect of Share Options granted under all schemes of the Company during the year ended 31 December 2025, being 0% of the weighted average number of shares of the relevant class in issue for the year 2025.

The remaining life of Share Option Scheme is 1 year and 5 months.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the human resources department of the Group on the basis of their merits, qualifications and competence.

The emolument policy of the Directors is determined by the Remuneration Committee, having regard to the Company's operating results, individual duties and performance and comparable market statistics.

The Group operates a Mandatory Provident Fund ("**MPF**") Scheme under rules and regulations of MPF Schemes Ordinance for all its employees in Hong Kong. All the employees of the Group in Hong Kong are required to join the MPF Scheme. Contributions are made based on a percentage of the employees' salaries and are charged to consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years as of 31 December 2025.

The Group's subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participated in a state-managed retirement benefits scheme operated by the local government. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefits schemes. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

During the year, the total amounts contributed by the Group to the schemes and costs charged to the consolidated income statement represent contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the year ended 31 December 2025, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

ENVIRONMENTAL POLICIES

The Group is committed to promoting awareness and decisions that contribute to achieving environmentally sustainable development. We will comply fully with all applicable environmental laws and regulations. We will use fuel, water and other natural resources efficiently and conservatively. We recognise this to be a continuous process of improvement and we seek to actively look for environmental friendly options and carry out environmental friendly practices whenever appropriate and possible.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS AND OTHERS

Employees are remunerated equitably and competitively. Continuing training and development opportunities are provided to equip them to deliver their best performance and achieve corporate goals. During the reporting period, our staff continuously pursue training and career development through our training system.

Customers' feedback and advice could be taking into account via customer communication channel.

The Group uses suppliers that reflect its values and commitment. The Group has policies and procedures to select suppliers and contractors who share our social, environmental and labour practice standards.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Each of the controlling shareholders has made an annual declaration in respect of their compliance with the terms of non-competition undertaking. Details of the non-competition undertaking are set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus and the Circular.

The independent non-executive Directors had reviewed and confirmed that the controlling shareholders of the Company have complied with the non-competition undertaking and the non-competition undertaking for the period set forth in the paragraph above has been enforced by the Company in accordance with its terms.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save and except for the interests of our controlling shareholders in our Company and disclosed in the Prospectus and Circular, during the year ended 31 December 2025, neither our Directors and their respective close associates (other than members of our Group) has any interest in a business, apart from the business of our Group, which competes or likely compete, either directly or indirectly, with the business of the Group which would require disclosure under Rule 8.10 of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CONTINUING CONNECTED TRANSACTIONS

During the year, members of the Group has entered into continuing connected transactions with connected persons, details of which are subject to the reporting requirements under Rule 14A.71 of the Listing Rules and are summarised herein below. The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions under Provision of Petroleum and Liquefied Gas Transportation Service Agreement, Petroleum Supply Agreement, Refined Oil Products Supply Agreement and Liquefied Petroleum Gas Products Supply Agreement disclosed by the Group as below in accordance with Main Board Listing Rule 14A.56. The independent non-executive Directors have reviewed the continuing connected transactions and confirmed that the continuing connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Details of the above-mentioned continuing connected transactions and the actual amount incurred for the year ended 31 December 2025 or as at 31 December 2025 are summarized as follows:

	From 1 January 2025/ the effective date to 31 December 2025 RMB million
Provision of Petroleum and Liquefied Gas Transportation Service Agreement	
(Annual cap: RMB41 million)	
Provision of petroleum and liquefied gas transportation services for 3 years by Jilin Province Jieli Logistics Company Limited (on behalf of its affiliated companies) to Changchun Yitonghe Petroleum Distribution Company Limited in consideration for the payment of transportation service fee. The agreement was entered on 15 November 2023. Details of the transactions are set out in the announcement dated 15 November 2023.	16.83
Petroleum Supply Agreement	
(Annual cap: RMB3,900 million)	
The petroleum supply agreement for 3 years entered into between Changchun United Strength Power Company Limited ("New United Strength") and Jilin Province Songyuan Petrochemical Company Limited ("Songyuan Petrochemical"), pursuant to which Songyuan Petrochemical will supply petroleum to the Group. The agreement was entered on 1 December 2022. Details of the transactions are set out in the announcement dated 1 December 2022 and the circular dated 2 December 2022.	2,223.94
Refined Oil Products Supply Agreement	
(Annual cap: RMB80 million)	
The agreement entered into between New United Strength and United Strength Vehicle Service, pursuant to which United Strength Vehicle Service will procure refined oil products from the Group. The agreement was entered on 1 December 2022. Details of the transactions are set out in the announcement dated 1 December 2022.	28.00
Liquefied Petroleum Gas Products Supply Agreement	
(Annual cap: RMB750 million)	
The agreement entered into between Longjing United Strength Energy Development Company Limited ("Longjing") and Songyuan Petrochemical, pursuant to which Songyuan Petrochemical will procure Liquefied Petroleum Gas from the Group. The agreement was entered on 11 July 2024. Details of the transactions are set out in the announcement dated 11 July 2024 and the circular dated 12 July 2024.	—

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above continuing connected transactions.

Related party transactions entered into by the Group for the Year are disclosed in Note 26 to the consolidated financial statements.

The related party transactions included in Note 26(a) to the consolidated financial statements constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. These transactions are disclosed in the Director's Report as required by Chapter 14A of the Listing Rules, except for which are exempted from disclosure. The related party transactions included in Note 26(b) to the consolidated financial statements did not fall under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge information and belief of the Directors, at least 25% of the Company's total issued share capital was held by the public, for the period from the Listing Date to the date of this annual report.

AUDITOR

The Company has appointed KPMG as the auditor of the Company for the year ended 31 December 2025. KPMG will retire and, being eligible, will offer itself for re-appointment. A resolution for their reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting. The Company did not change its external auditor in the past three years.

On behalf of the Board

Zhao Jinmin

Chairman and chief executive officer

30 March 2026

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report to the shareholders of United Strength Power Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of United Strength Power Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 111 to 175, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (continued)

Assessment of the potential impairment of property, plant and equipment

Refer to Note 11 to the consolidated financial statements and the accounting policies in Note 2(i)(ii).

The Key Audit Matter

The fluctuation of the sales volume and prices of refined oil, compressed natural gas ("CNG") and liquefied natural gas ("LNG") affects the performance of the Group's refuelling stations and storage facilities business. The Group's refuelling stations and storage facilities business is principally operated through petroleum and natural gas refuelling stations, storage facilities and transportation vehicles. At the end of each reporting period, management reviews internal and external information to identify whether any impairment indications on the Group's property, plant and equipment exist.

If any such indication exists, management performs impairment assessments of the property, plant and equipment to estimate these assets' recoverable amounts.

How the matter was addressed in our audit

Our audit procedures to assess the potential impairment of property, plant and equipment included the following:

- obtaining an understanding of and assessing the design and implementation of key internal controls relating to assessment of the potential impairment of property, plant and equipment;
- assessing management's methodology adopted in identification of indicators of potential impairment of property, plant and equipment with reference to our understanding of the Group's refuelling stations and storage facilities business and the requirements of the prevailing accounting standards;
- for those CGUs that included property, plant and equipment with impairment indicators, assessing the relevant discounted cash flow forecasts prepared by the management, including:
 - assessing the appropriateness of the using of the value in use model for determining the recoverable amounts;

KEY AUDIT MATTERS (continued)

Assessment of the potential impairment of property, plant and equipment	
Refer to Note 11 to the consolidated financial statements and the accounting policies in Note 2(i)(ii).	
The Key Audit Matter	How the matter was addressed in our audit
For cash-generating units ("CGUs") where indicators of impairment were identified, management compares the carrying amounts of the property, plant and equipment allocated to these CGUs with the respective recoverable amounts, which are estimated by preparing the relevant discounted cash flow forecasts, to determine the amounts of impairment losses, if any. The preparation of discounted cash flow forecasts involves the exercise of significant management judgement in determining the relevant inputs to be included in the discounted cash flow forecasts and the assumptions adopted therein, including forecast selling prices, purchase prices and sales volume of refined oil, CNG and LNG, forecast expenses and the applicable discount rates.	– assessing management's discounted cash flow forecasts for those CGUs where impairment indicators were identified by comparing the key assumptions adopted by management, in particular, forecast selling prices, purchase prices and sales volume of refined oil, CNG and LNG and forecast expenses, with our understanding, experience and knowledge of the Group's refuelling stations and storage facilities business and the refined oil, CNG and LNG industry in general; – comparing the key data used in the management's discounted cash flow forecasts for those CGUs with market and other externally available information, such as comparing the forecast selling prices and purchase prices of refined oil, CNG and LNG with external market data as at 31 December 2025, with consideration of the available market and external information; – comparing key financial data, including revenue, cost of sales and expenses, included in the discounted cash flow forecasts with the budgets approved by the board of directors;

KEY AUDIT MATTERS (continued)

Assessment of the potential impairment of property, plant and equipment

Refer to Note 11 to the consolidated financial statements and the accounting policies in Note 2(i)(ii).

The Key Audit Matter

We identified assessment of the potential impairment of property, plant and equipment as a key audit matter because impairment assessments involve the exercise of significant management judgement, particularly in forecasting selling prices, purchase prices and sales volume of refined oil, CNG and LNG, forecasting expenses and determining the appropriate discount rates, all of which could be subject to management bias in their selection.

How the matter was addressed in our audit

- comparing the actual results for the current year with management's estimates in their discounted cash flow forecasts prepared in the previous year to assess the historical accuracy of the management's forecasting process;
- engaging our internal valuation specialists to assist us in assessing whether the discount rates applied in the discounted cash flow forecasts were within the range of those adopted by other companies in the same industry; and
- performing sensitivity analyses of the key assumptions adopted by management, including forecast selling prices, purchase prices and sales volume of refined oil, CNG and LNG, forecast expenses and the applicable discount rates, to assess what changes thereto, either individually or collectively, would result in a different conclusion being reached and assessing whether there were any indicators of management bias in the selection of key assumptions.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have been engaged to perform an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provide a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yeung Ka Chun (practising certificate number: P04753).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025 (Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	6,163,633	7,724,326
Cost of sales		(5,824,649)	(7,284,476)
Gross profit	4(b)	338,984	439,850
Other income	5	8,388	5,353
Staff costs	6(b)	(148,106)	(159,090)
Depreciation expenses	6(c)	(61,092)	(62,798)
Impairment reversal/(loss) on trade receivables	24(a)	1,815	(1,835)
Other operating expenses		(84,677)	(98,630)
Profit from operations		55,312	122,850
Share of results of an associate	13	1,167	1,201
Finance costs	6(a)	(24,603)	(29,738)
Profit before taxation	6	31,876	94,313
Income tax	7	(32,752)	(23,657)
(Loss)/profit for the year		(876)	70,656
Attributable to:			
Equity shareholders of the Company		(2,374)	67,791
Non-controlling interests		1,498	2,865
(Loss)/profit for the year		(876)	70,656
(Loss)/earnings per share			
– Basic and diluted (RMB)	10	(0.01)	0.18

The notes on pages 118 to 175 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025 (Expressed in RMB)

	2025 RMB'000	2024 RMB'000
(Loss)/profit for the year	(876)	70,656
Other comprehensive income for the year (after tax):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements denominated in foreign currencies into presentation currency of the Group	(1,302)	651
Total comprehensive income for the year	(2,178)	71,307
Attributable to:		
Equity shareholders of the Company	(3,757)	68,513
Non-controlling interests	1,579	2,794
Total comprehensive income for the year	(2,178)	71,307

The notes on pages 118 to 175 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025 (Expressed in RMB)

	Note	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	11	385,180	427,782
Investment properties		1,459	1,581
Interest in an associate	13	54,352	54,545
Deferred tax assets	22(b)	63,029	59,651
		504,020	543,559
Current assets			
Inventories	14	145,296	140,362
Trade and bills receivables	15	35,047	95,630
Prepayments, deposits and other receivables	16	898,418	933,224
Income tax recoverable	22(a)	6,278	5,880
Cash at bank and on hand	17	365,631	158,628
		1,450,670	1,333,724
Current liabilities			
Bank and other loans	18(a)	701,414	445,175
Trade and bills payables	19	7,325	2,748
Accrued expenses, other payables and contract liabilities	20	457,117	549,717
Lease liabilities	21	87,393	87,357
Income tax payable	22(a)	13,004	16,026
		1,266,253	1,101,023
Net current assets		184,417	232,701
Total assets less current liabilities		688,437	776,260
Non-current liabilities			
Bank and other loans	18(b)	11,200	47,840
Lease liabilities	21	143,167	177,538
Deferred tax liabilities	22(b)	2,523	2,927
		156,890	228,305
NET ASSETS		531,547	547,955

The notes on pages 118 to 175 form part of these financial statements.

Consolidated Statement of Financial Position (continued)

At 31 December 2025 (Expressed in RMB)

	Note	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
CAPITAL AND RESERVES	23		
Share capital		32,293	32,293
Reserves		460,749	478,378
Total equity attributable to equity shareholders of the Company		493,042	510,671
Non-controlling interests		38,505	37,284
TOTAL EQUITY		531,547	547,955

Approved and authorised for issue by the board of directors on 30 March 2026.

Zhao Jinmin
Chairman

Bian Xiaodan
Director

The notes on pages 118 to 175 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025 (Expressed in RMB)

	Attributable to equity shareholders of the Company							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 23(c))	Share premium RMB'000 (Note 23(d)(i))	Other reserve RMB'000 (Note 23(d)(ii))	Statutory reserve RMB'000 (Note 23(d)(iii))	Exchange reserve RMB'000 (Note 23(d)(iv))	Retained profits RMB'000	Total RMB'000		
Balance at 1 January 2024	32,293	711,315	(700,106)	15,000	8,963	402,038	469,503	42,604	512,107
Changes in equity for 2024:									
Profit for the year	-	-	-	-	-	67,791	67,791	2,865	70,656
Other comprehensive income for the year	-	-	-	-	722	-	722	(71)	651
Total comprehensive income	-	-	-	-	722	67,791	68,513	2,794	71,307
Special dividend approved during the year	-	(27,345)	-	-	-	-	(27,345)	-	(27,345)
Distributions to non-controlling equity holders of subsidiaries approved during the year	-	-	-	-	-	-	-	(8,114)	(8,114)
	-	(27,345)	-	-	-	-	(27,345)	(8,114)	(35,459)
Balance at 31 December 2024	32,293	683,970	(700,106)	15,000	9,685	469,829	510,671	37,284	547,955
	Attributable to equity shareholders of the Company							Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 23(c))	Share premium RMB'000 (Note 23(d)(i))	Other reserve RMB'000 (Note 23(d)(ii))	Statutory reserve RMB'000 (Note 23(d)(iii))	Exchange reserve RMB'000 (Note 23(d)(iv))	Retained profits RMB'000	Total RMB'000		
Balance at 1 January 2025	32,293	683,970	(700,106)	15,000	9,685	469,829	510,671	37,284	547,955
Changes in equity for 2025:									
(Loss)/profit for the year	-	-	-	-	-	(2,374)	(2,374)	1,498	(876)
Other comprehensive income for the year	-	-	-	-	(1,383)	-	(1,383)	81	(1,302)
Total comprehensive income	-	-	-	-	(1,383)	(2,374)	(3,757)	1,579	(2,178)
Dividend approved during the year	-	(13,872)	-	-	-	-	(13,872)	-	(13,872)
Distributions paid to non-controlling equity holder of a subsidiary	-	-	-	-	-	-	-	(358)	(358)
	-	(13,872)	-	-	-	-	(13,872)	(358)	(14,230)
Balance at 31 December 2025	32,293	670,098	(700,106)	15,000	8,302	467,455	493,042	38,505	531,547

The notes on pages 118 to 175 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025 (Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Profit before taxation		31,876	94,313
Adjustments for:			
Depreciation expenses	6(c)	61,092	62,798
Net (gain)/loss on disposal of property, plant and equipment	5	(207)	774
Net gain on disposal of subsidiaries	5	(696)	–
Finance costs	6(a)	24,603	29,738
Interest income	5	(2,519)	(1,020)
Share of results of an associate	13	(1,167)	(1,201)
Changes in working capital:			
(Increase)/decrease in inventories		(4,934)	45,077
Decrease/(increase) in trade and bills receivables		60,583	(61,372)
Decrease in prepayments, deposits and other receivables		10,752	39,658
Increase/(decrease) in trade and bills payables		4,577	(24,412)
Decrease in accrued expenses, other payables and contract liabilities		(131,809)	(124,812)
Cash generated from operations		52,151	59,541
Income tax paid	22(a)	(39,954)	(40,660)
Net cash generated from operating activities		12,197	18,881
Investing activities			
Payments for purchase of property, plant and equipment		(13,699)	(15,205)
Proceeds from disposal of property, plant and equipment		5,402	7,057
Net proceeds from disposal of subsidiaries		696	–
Interest received		2,519	1,020
Net cash used in investing activities		(5,082)	(7,128)

Consolidated Cash Flow Statement (continued)

For the year ended 31 December 2025 (Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Financing activities			
Proceeds from bank and other loans	17(b)	664,324	451,015
Repayment of bank and other loans	17(b)	(444,725)	(351,778)
Capital element of lease rentals paid	17(b)	(13,150)	(28,324)
Interest element of lease rentals paid	17(b)	(267)	(18,841)
Dividends paid to equity shareholders of the Company	17(b)	(13,872)	(27,355)
Distributions paid to non-controlling equity holder of a subsidiary	17(b)	(8,458)	(14)
Net (increase)/decrease in pledged bank deposits		(87,240)	22,000
Recovering/(payment) of taxes and surcharges in connection with taxes chargeable to certain subsidiaries prior to their becoming the Group's subsidiaries	16(i)	24,054	(24,054)
Interest paid	17(b)	(7,861)	(10,576)
Net cash generated from financing activities		112,805	12,073
Net increase in cash and cash equivalents		119,920	23,826
Cash and cash equivalents at 1 January	17(a)	70,278	46,517
Effect of foreign exchange rate changes		(157)	(65)
Cash and cash equivalents at 31 December	17(a)	190,041	70,278

The notes on pages 118 to 175 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

United Strength Power Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 19 December 2016 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 16 October 2017.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the retail sale of refined oil and natural gas by operating refuelling stations and storage facilities, wholesale of refined oil and the provision of transportation of petroleum and natural gas services.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) 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 accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group’s interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2 MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

The number of refuelling stations and storage facilities of the Group as at 31 December 2025 was as follows:

	Owned by the Group		Operated by the Group under entrusted management agreements	
	Refuelling stations	Petroleum storage facilities	Refuelling stations	Petroleum storage facilities
At 31 December 2025	38	2	39	1
At 31 December 2024	38	2	39	1

(c) Changes in accounting policies

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

2 MATERIAL ACCOUNTING POLICIES (continued)

(e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). It is initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(i)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(f) Investment property

Investment property is initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(s)(ii)(a).

2 MATERIAL ACCOUNTING POLICIES (continued)

(g) Property, plant and equipment

The items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs (see Note 2(u)), less accumulated depreciation and any accumulated impairment losses (see Note 2(i)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives as follows:

Estimated useful lives	
– Buildings and properties	Over the shorter of the term of lease and their estimated useful lives
– Refuelling equipment, storage facilities and related equipment	3–15 years
– Motor vehicles and other equipment	3–10 years
– Right-of-use assets	Over the term of lease

Depreciation methods, useful lives and residual value are reviewed annually and adjusted if appropriate.

2 MATERIAL ACCOUNTING POLICIES (continued)

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(g) and 2(i)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in "property, plant and equipment" and presents lease liabilities separately in the statement of financial position.

2 MATERIAL ACCOUNTING POLICIES (continued)

(h) Leased assets (continued)

(i) As a lessee (continued)

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidation statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(s)(ii)(a).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(h)(i), then the Group classifies the sub-lease as an operating lease.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost (including cash at bank and on hand, and trade and other receivables);
- contract assets; and
- lease receivables.

2 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments, contract assets and lease receivables (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(ii) Impairment of non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see Notes 2(i)(i) and 2(i)(ii)).

2 MATERIAL ACCOUNTING POLICIES (continued)

(j) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventories (see Note 2(j)(i)).

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventories, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses.

Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(s)(i)).

(k) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(s)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(i)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(l)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(s)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(l)).

2 MATERIAL ACCOUNTING POLICIES (continued)

(l) Trade and other receivable

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(i)(i)).

(m) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(u).

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are assessed for ECLs (see Note 2(i)(i)).

(p) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

2 MATERIAL ACCOUNTING POLICIES (continued)

(q) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2 MATERIAL ACCOUNTING POLICIES (continued)

(r) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) *Sale of goods*

Revenue is recognised when goods are delivered which is taken to be the point in time when the customer has accepted the goods and control over the goods is transferred to the customer.

(b) *Render of services*

Revenue from the render of services is recognised progressively based on percentage of completion.

2 MATERIAL ACCOUNTING POLICIES (continued)

(s) Revenue and other income (continued)

(ii) Revenue from other sources and other income

(a) *Rental income from operating leases*

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(b) *Dividends*

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(c) *Interest income*

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(d) *Government grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2 MATERIAL ACCOUNTING POLICIES (continued)

(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

2 MATERIAL ACCOUNTING POLICIES (continued)

(v) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant sources of estimation uncertainty and critical accounting judgement made by the management are as follows:

(a) Impairment of long-lived assets

If circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in accordance with accounting policy for impairment of long-lived assets as described in Note 2(i)(ii). These assets are tested for impairment whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the asset and could result in additional impairment charge or reversal of impairment in future periods.

(b) Depreciation

Property, plant and equipment are depreciated over their estimated useful lives, after taking into account the estimated residual values, if any. The Group reviews the estimated useful lives and residual values, if any, of the property, plant and equipment regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The determination of useful lives and residual values, if any, are based on the historical experience with similar assets and taking into account anticipated changes on how such assets are to be deployed. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(c) Determining the lease term

As explained in policy Note 2(h), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group’s operations. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group’s control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future periods.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the retail sale of refined oil and natural gas by operating refuelling stations and storage facilities, wholesale of refined oil and the provision of transportation of petroleum and natural gas services.

Further details regarding the Group's principal activities are disclosed in Note 4(b).

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2025 RMB'000	2024 RMB'000
Sales of refined oil and natural gas	6,108,800	7,635,274
Revenue from the provision of transportation services	54,824	75,212
Revenue from the provision of franchising services	—	11,159
Revenue from the trading of compressed natural gas ("CNG") and liquefied petroleum gas ("LPG")	9	2,681
	6,163,633	7,724,326

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 4(b).

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue in 2025 (2024: Nil). Details of the Group's concentrations of credit risk are set out in Note 24(a).

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its contracts for the provision of transportation of petroleum and natural gas services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for the provision of transportation of petroleum and natural gas services that had an original expected duration of one year or less.

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Sale of refined oil: this segment carries out sales of refined oil to vehicular end-users by operating petroleum refuelling stations, and sales of refined oil to other petroleum refuelling stations, construction sites and other industrial users by operating petroleum storage facilities;
- Sale of natural gas: this segment sells CNG, LPG and liquefied natural gas ("LNG") to vehicular end-users by operating refuelling stations, and trading of LPG and CNG; and
- Provision of transportation services: this segment provides petroleum and natural gas transportation services by managing dangerous goods transportation vehicles.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales and revenue generated by those segments and the expenses incurred by those segments. However, other than reporting inter-segment sales, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment is gross profit. The Group's other income, staff costs, depreciation expenses, impairment gain/(loss) on trade receivables, other operating expenses and share of results of an associate, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

4 REVENUE AND SEGMENT REPORTING (continued)**(b) Segment reporting (continued)****(i) Segment results (continued)**

Disaggregation of revenue from contracts with customers recognised at a point in time, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is set out below.

	2025			
	Sale of refined oil RMB'000	Sale of natural gas RMB'000	Provision of transportation services RMB'000	Total RMB'000
Revenue from external customers	5,962,992	145,817	54,824	6,163,633
Inter-segment revenue	18,348	–	34,211	52,559
Reportable segment revenue	5,981,340	145,817	89,035	6,216,192
Reportable segment gross profit	254,618	43,141	41,225	338,984

	2024			
	Sale of refined oil RMB'000	Sale of natural gas RMB'000	Provision of transportation services RMB'000	Total RMB'000
Revenue from external customers	7,395,690	253,424	75,212	7,724,326
Inter-segment revenue	29,514	–	47,426	76,940
Reportable segment revenue	7,425,204	253,424	122,638	7,801,266
Reportable segment gross profit	300,359	77,167	62,324	439,850

4 REVENUE AND SEGMENT REPORTING (continued)**(b) Segment reporting (continued)****(ii) Reconciliation of reportable segment revenue and profit or loss**

	2025 RMB'000	2024 RMB'000
Revenue		
Reportable segment revenue	6,216,192	7,801,266
Elimination of inter-segment revenue	(52,559)	(76,940)
Consolidated revenue (Note 4(a))	6,163,633	7,724,326
Profit		
Reportable segment gross profit	338,984	439,850
Other income	8,388	5,353
Staff costs	(148,106)	(159,090)
Depreciation expenses	(61,092)	(62,798)
Impairment reversal/(loss) on trade receivables	1,815	(1,835)
Other operating expenses	(84,677)	(98,630)
Share of results of an associate	1,167	1,201
Finance costs	(24,603)	(29,738)
Consolidated profit before taxation	31,876	94,313

(iii) Geographic information

All of the Group's customers patronised at the Group's operations carried out in the People's Republic of China (the "PRC"). The Group's non-current assets, including property, plant and equipment and investment properties, are located and the location of operations of the Group's associate is in the PRC.

5 OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants	446	472
Rental income from operating leases	2,368	3,580
Interest income	2,519	1,020
Net gain on disposal of subsidiaries	696	—
Net gain/(loss) on disposal of property, plant and equipment	207	(774)
Others	2,152	1,055
	8,388	5,353

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs:

	2025 RMB'000	2024 RMB'000
Interest expenses on:		
– bank and other loans	7,861	10,576
– lease liabilities (Note 11(b)(ii))	16,742	19,162
	24,603	29,738

No borrowing costs have been capitalised during the year ended 31 December 2025 (2024: RMB Nil).

(b) Staff costs:

	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	130,414	141,131
Contributions to defined contribution retirement plans	17,692	17,959
	148,106	159,090

The employees of the subsidiaries of the Group established in the PRC (excluding Hong Kong) participate in defined contribution retirement benefit schemes managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes at 16% of the employees' basic salaries. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (excluding Hong Kong), from the above mentioned retirement schemes at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of Hong Kong Dollars ("HK\$") 30,000. Contributions to the MPF Scheme vest immediately.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

6 PROFIT BEFORE TAXATION (continued)**(c) Other items:**

	2025 RMB'000	2024 RMB'000
Depreciation expenses:		
– owned property, plant and equipment (Note 11)	21,151	22,552
– right-of-use assets (Note 11)	39,819	40,116
– investment properties	122	130
	61,092	62,798
Operating lease charges relating to short-term leases and leases of low-value-assets (Note 11(b)(ii))	3,778	4,433
Auditors' remuneration – audit services	5,800	5,800
Cost of inventories (Note 14(b))	5,811,051	7,271,588

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS**(a) Taxation in the consolidated statement of profit or loss represents:**

	2025 RMB'000	2024 RMB'000
Current taxation (Note 22(a))		
Provision for the year	34,414	44,611
Under provision in prior years	2,120	–
Deferred taxation (Note 22(b))		
Origination and reversal of temporary differences	(3,782)	(20,954)
	32,752	23,657

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)**(b) Reconciliation between tax expense and accounting profit at applicable tax rates:**

	2025 RMB'000	2024 RMB'000
Profit before taxation	31,876	94,313
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (Notes (i), (ii) and (iii))	6,769	24,295
Tax effect of non-deductible expenses	590	445
Tax concessions (Note (iv))	(1,449)	(2,436)
Tax effect of share of results of an associate	(193)	(198)
Tax effect of unused tax losses and temporary differences not recognised	23,763	201
Tax effect of the withholding tax in connection with the retained profits to be distributed by a subsidiary	1,152	1,350
Under-provision in prior years	2,120	–
Actual tax expense	32,752	23,657

Notes:

- (i) The Company and subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 December 2025 (2024: 16.5%).
- (ii) The Company and subsidiaries of the Group incorporated in countries other than the PRC (including Hong Kong) are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- (iii) The subsidiaries of the Group established in the PRC (excluding Hong Kong) are subject to PRC Corporate Income Tax rate of 25% for the year ended 31 December 2025 (2024: 25%).
- (iv) Pursuant to tax relief policies issued by Ministry of Finance and State Taxation Administration of the PRC, certain companies of the Group established in the PRC (excluding Hong Kong), which meet the stipulated small scale operations are subject to preferential tax rates of 5% for their taxable profits for the year ended 31 December 2025 (2024: 5%).

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025				
	Directors' fees RMB'000	Salaries, allowances and benefits in-kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive directors					
Mr Zhao Jinmin	–	1,290	–	95	1,385
Mr Liu Yingwu	–	981	–	62	1,043
Mr Wang Zhiwei	–	315	–	62	377
Mr Ma Haidong	–	315	–	62	377
Ms Bian Xiaodan	–	1,219	103	33	1,355
Independent non-executive directors					
Ms Su Dan	54	–	–	–	54
Mr Lau Ying Kit	108	–	–	–	108
Mr Zhang Zhifeng	54	–	–	–	54
	216	4,120	103	314	4,753

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS (continued)

	2024				
	Directors' fees RMB'000	Salaries, allowances and benefits in-kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Total RMB'000
Executive directors					
Mr Zhao Jinmin	–	1,303	–	93	1,396
Mr Liu Yingwu	–	972	–	87	1,059
Mr Wang Zhiwei	–	310	–	88	398
Mr Ma Haidong	–	310	–	87	397
Ms Bian Xiaodan (appointed on 29 August 2024)	–	1,250	106	33	1,389
Non-executive director					
Mr Xu Huilin (resigned on 29 February 2024)	–	56	–	–	56
Independent non-executive directors					
Ms Su Dan	56	–	–	–	56
Mr Lau Ying Kit	111	–	–	–	111
Mr Zhang Zhifeng	56	–	–	–	56
	223	4,201	106	388	4,918

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2024: three) are directors of the Company whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the other two (2024: two) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, discretionary bonuses and other emoluments	1,267	1,302
Retirement scheme contributions	95	78
	1,362	1,380

The emoluments of the individuals who are not directors and who are amongst the five highest paid individuals of the Group are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$Nil – HK\$1,000,000	1	1
HK\$1,000,001 – HK\$1,500,000	1	1
	2	2

10 EARNINGS PER SHARE**(a) Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 December 2025 is based on the loss attributable to ordinary equity shareholders of the Company of RMB2,374,000 (2024: profit of RMB67,791,000) and the weighted average of 374,502,000 ordinary shares (2024: 374,502,000 ordinary shares) in issue during the year.

(b) Diluted earnings per share

There were no potential dilutive ordinary shares during the years ended 31 December 2025 and 2024.

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amounts

	Buildings and properties RMB'000	Refuelling equipment, storage facilities and related equipment RMB'000	Motor vehicles and other equipment RMB'000	Construction in progress RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost:						
At 1 January 2024	94,179	127,814	139,865	7,638	544,029	913,525
Additions	353	106	11,413	3,658	–	15,530
Transfer in/(out)	–	1,994	2,497	(4,491)	–	–
Disposals	(649)	(14,452)	(23,099)	(244)	(26,753)	(65,197)
At 31 December 2024	93,883	115,462	130,676	6,561	517,276	863,858
Accumulated depreciation and impairment losses:						
At 1 January 2024	39,466	95,256	112,159	–	178,146	425,027
Charge for the year	2,823	6,775	12,954	–	40,116	62,668
Written back on disposals	(364)	(11,905)	(20,280)	–	(19,070)	(51,619)
At 31 December 2024	41,925	90,126	104,833	–	199,192	436,076
Carrying amount:						
At 31 December 2024	51,958	25,336	25,843	6,561	318,084	427,782
Cost:						
At 1 January 2025	93,883	115,462	130,676	6,561	517,276	863,858
Additions	94	550	8,044	9,705	3,332	21,725
Transfer in/(out)	1,078	5,461	7,153	(13,692)	–	–
Disposal of subsidiaries	(112)	(512)	(182)	–	–	(806)
Disposals	(975)	(683)	(15,620)	(386)	(680)	(18,344)
At 31 December 2025	93,968	120,278	130,071	2,188	519,928	866,433
Accumulated depreciation and impairment losses:						
At 1 January 2025	41,925	90,126	104,833	–	199,192	436,076
Charge for the year	2,269	7,609	11,273	–	39,819	60,970
Written back on disposal of subsidiaries	(108)	(397)	(148)	–	–	(653)
Written back on disposals	(675)	(572)	(13,423)	–	(470)	(15,140)
At 31 December 2025	43,411	96,766	102,535	–	238,541	481,253
Carrying amount:						
At 31 December 2025	50,557	23,512	27,536	2,188	281,387	385,180

11 PROPERTY, PLANT AND EQUIPMENT (continued)**(a) Reconciliation of carrying amounts (continued)**

At 31 December 2025 and 2024, there were impairment indicators identified and an impairment test was performed accordingly. The recoverable amount of the property, plant and equipment was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets covering the remaining useful life of property, plant and equipment. These cash flow projections adopted annual gross profit margin at 5.7% (2024: 5.8% to 7.0%), which is based on group's historical experience with the business and adjusted for other factors that are specific to the property, plant and equipment. The cash flows are discounted using a discount rate of 12.37% (2024: 14.17%). The discount rates used are pre-tax and reflect specific risks relating to the property, plant and equipment. Based on the results of the impairment test performed, there was no impairment losses (2024: Nil) recognised during the year ended 31 December 2025.

(b) Right-of-use assets

(i) The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Land use rights (<i>Note 11(b)(iii)</i>)	126,121	130,794
Buildings and properties (<i>Note 11(b)(iv)</i>)	2,915	174
Refuelling equipment, storage facilities and related equipment (<i>Note 11(b)(iv)</i>)	152,351	187,116
	281,387	318,084

(ii) The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset (<i>Note 6(c)</i>):		
– Land use rights	4,637	4,927
– Buildings and properties	417	424
– Refuelling equipment, storage facilities and related equipment	34,765	34,765
	39,819	40,116
Interest expenses on lease liabilities (<i>Note 6(a)</i>)	16,742	19,162
Operating lease charges relating to short-term leases and leases of low-value assets (<i>Note 6(c)</i>)	3,778	4,433

11 PROPERTY, PLANT AND EQUIPMENT (continued)**(b) Right-of-use assets (continued)**

- (iii) Land use rights represent premiums paid by the Group for land located in the PRC. These land use rights are with lease terms of 30 to 50 years.
- (iv) These leases mainly expiring from 3 to 10 years from inception, and some of them include an option to renew when all terms are renegotiated. None of the leases includes variable lease payments.
- (v) Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 17(c) and 21, respectively.

(c) Assets leased out under operating leases

The analysis of the carrying amounts of the Group's property, plant and equipment leased out under operating leases is as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Buildings and properties	7,257	4,774
Motor vehicles and other equipment	423	84
	7,680	4,858

The Group leases out a number of properties (buildings and land-use-rights) and motor vehicles and other equipment under operating leases. The leases typically run for an initial period of 1 to 10 years, with options to renew the leases at which time all terms are renegotiated. None of the leases includes contingent rentals.

Undiscounted minimum lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	1,639	1,479
After 1 year but within 5 years	2,904	4,892
	4,543	6,371

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

12 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Name of company	Place of establishment/ incorporation and business	Particulars of registered/ issued and paid-up capital	Percentage of ownership interest			Principal activities
			The Group's effective interest	Held by the Company	Held by subsidiaries	
Dandong Kuandian Petroleum Company Limited ("Dandong Kuandian") (丹東寬甸石油有限公司) (Note (i))	The PRC	RMB30,000,000	55%	–	55%	Sale of refined oil by operating refuelling stations and petroleum storage facilities
Liaoning Oilfield Resource Products Distribution Company Limited ("Liaoning Oilfield") (遼寧油田物資產品經銷有限公司) (Note (i))	The PRC	RMB30,000,000	55%	–	55%	Sale of refined oil by operating refuelling stations and petroleum storage facilities
Jilin Dongkun Gas Company Limited (吉林東昆燃氣有限公司) (Note (i))	The PRC	RMB18,728,000	100%	–	100%	Sale of natural gas to vehicular end-users by operating refuelling stations
Jilin Chinese Petroleum Clean Energy Environmental Protection Company Limited (吉林中油潔能環保有限責任公司) (Note (i))	The PRC	RMB8,000,000	51%	–	51%	Sale of natural gas to vehicular end-users by operating refuelling stations
Shenyang United Strength Investment Management Company Limited (瀋陽眾誠投資管理有限公司) (Note (i))	The PRC	RMB10,300,000	78%	–	78%	Sale of refined oil by operating refuelling stations
Jilin Province Jieli Logistics Company Limited (吉林省捷利物流有限公司) (Note (i))	The PRC	RMB5,800,000	100%	–	100%	Provision of transportation services
Changchun Sinogas Company Limited (長春中油潔能燃氣有限公司) (Note (iii))	The PRC	RMB20,000,000	100%	–	100%	Sale of natural gas to vehicular end-users by operating refuelling stations
Longjing United Strength Energy Development Company Limited (龍井眾誠能源發展有限公司) (Note (i))	The PRC	RMB20,000,000	100%	–	100%	Sale of natural gas to vehicular end-users by operating refuelling stations
Longjing United Strength Energy Technology Development Company Limited (龍井眾誠能源技術開發有限公司) (Note (i))	The PRC	RMB3,600,000	100%	–	100%	Sale of natural gas to vehicular end-users by operating refuelling stations

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

12 INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Place of establishment/ incorporation and business	Particulars of registered/ issued and paid-up capital	Percentage of ownership interest			Principal activities
			The Group's effective interest	Held by the Company	Held by subsidiaries	
Yanbian United Strength Energy Technology Development Company Limited (延邊眾誠能源技術開發有限公司) (Note (i))	The PRC	RMB500,000	60%	–	60%	Development of energy technology
Baishan United Strength Taixing Power Company Limited (白山眾誠泰興能源有限公司) (Note (i))	The PRC	RMB500,000	100%	–	100%	Sale of refined oil by operating refuelling stations
Changchun United Strength Power Company Limited ("New United Strength") (長春眾誠能源有限公司) (Note (iii))	The PRC	RMB10,000,000	100%	–	100%	Investment holding
Eternal Global Investment Limited ("Eternal Global") (Note (iii))	The British Virgin Islands	USD10,000	100%	100%	–	Investment holding
Gongzhuling City United Strength Petroleum Distribution Company Limited (公主嶺市眾誠連鎖石油經銷有限公司) (Note (i))	The PRC	RMB10,000,000	100%	–	100%	Sale of refined oil by operating refuelling stations
Changchun United Strength Lveng Charging Network Operation Company Limited (長春眾誠綠能充電網運營有限公司) (Note (i))	The PRC	Registered capital of RMB RMB500,000 and paid-in capital of RMBNil	100%	–	100%	Provision of electronic vehicle charging service
Sino Regent International Limited ("Sino Regent") (Note (iii))	Hong Kong	1 share	51%	–	100%	Investment holding
Yanbian Jieli Logistics Company Limited (延邊捷利物流有限公司) (Note (i))	The PRC	RMB50,000,000	100%	–	100%	Provision of transportation services
Shenyang Xinxin Transportation Company Limited (瀋陽欣鑫運輸有限公司) (Note (i))	The PRC	RMB2,000,000	100%	–	100%	Provision of transportation services
Dandong United Strength Vessel Petroleum Company Limited (丹東眾誠船舶燃油有限公司) (Note (i))	The PRC	RMB15,000,000	55%	–	55%	Sale of refined oil by operating refuelling stations

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

12 INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Place of establishment/ incorporation and business	Particulars of registered/ issued and paid-up capital	Percentage of ownership interest			Principal activities
			The Group's effective interest	Held by the Company	Held by subsidiaries	
Liaoyuan City Hengtai Clean Energy Company Limited (遼源市恒泰清潔能源有限公司) (Note (i))	The PRC	RMB5,000,000	100%	–	100%	Sale of natural gas to vehicular end-users by operating refuelling stations
Jilin Province Haotuo Petroleum Development and Usage Company Limited (吉林省昊拓石油開發利用有限公司) (Note (i))	The PRC	RMB5,000,000	100%	–	100%	Sale of refined oil by operating refuelling stations
Meihekou City Yujia Petrochemical Company Limited (梅河口市譽嘉石化有限公司) (Note (i))	The PRC	RMB10,000,000	100%	–	100%	Sale of natural gas to vehicular end-users by operating refuelling stations
Yanbian Xinyuan Natural Gas Sales Company Limited (延邊鑫源天然氣銷售有限公司) (Note (i))	The PRC	RMB5,000,000	100%	–	100%	Sale of natural gas to vehicular end-users by operating refuelling stations

Notes:

- (i) The official names of these entities are in Chinese. The English translation of the names are for identification purpose only. These companies are limited liability companies established in the Chinese Mainland.
- (ii) The official names of these entities are in Chinese. The English translation of the names are for identification purpose only. These companies are wholly foreign owned enterprises established in the Chinese Mainland.
- (iii) These companies are limited liability companies incorporated outside of the Chinese Mainland.

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

12 INVESTMENTS IN SUBSIDIARIES (continued)

The following table lists out the combined financial information relating to subsidiary of the Group with material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
NCI percentage:		
– Liaoning Oilfield	45%	45%
Non-current assets	10,994	11,064
Current assets	273,127	230,070
Current liabilities	224,451	185,154
Net assets	59,670	55,980
Net assets attributable to NCI	26,055	24,160

	2025 RMB'000	2024 RMB'000
Revenue	1,589,337	2,136,456
Profit and total comprehensive income for the year	4,212	7,609
Profit and total comprehensive income attributable to NCI	1,895	3,425

13 INTEREST IN AN ASSOCIATE

Details of the Group's interest in an associate, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of associate	Place of establishment and business	Particulars of registered and paid-up capital	Proportion of ownership interest			Principal activity
			The Group's effective interest	Held by the Company	Held by a subsidiary	
China Travel Service International Financial Leasing Company Limited ("CTS Financial Leasing") (中旅融資租賃有限公司)*	The PRC	Registered capital of RMB500,000,000 and paid-in capital of RMB181,100,000	30%	–	30%	Provision of financial leasing service

* The official name of this entity is in Chinese. The English translation of the name is for identification purpose only. This company is a limited liability company established in the PRC.

CTS Financial Leasing is an unlisted corporate entity whose quoted market price is not available.

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

13 INTEREST IN AN ASSOCIATE (continued)

Summarised financial information of CTS Financial Leasing, including fair value adjustments and any differences with the Group's accounting policies, before impairment provision made and a reconciliation to the carrying amount in the consolidated financial statements, is disclosed below:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Gross amounts of CTS Financial Leasing's		
Non-current assets	158,368	185,529
Current assets	389,939	283,304
Current liabilities	(228,311)	(125,132)
Non-current liabilities	(49,941)	(77,398)
Equity	270,055	266,303
	2025 RMB'000	2024 RMB'000
Revenue	20,638	28,750
Net profit and total comprehensive income	3,796	4,095
	2025 RMB'000	2024 RMB'000
Carrying amount of interest in an associate		
At 1 January	54,545	52,185
Share of profits	1,167	1,201
Impairment loss	–	–
Exchange adjustments	(1,360)	1,159
At 31 December	54,352	54,545

14 INVENTORIES**(a) Inventories in the consolidated statement of financial position comprise:**

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Refined oil	141,058	135,410
Gases	345	569
Spare parts	3,893	4,383
	145,296	140,362

(b) The analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss during the year is as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	5,811,051	7,271,588

15 TRADE AND BILLS RECEIVABLES

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables, net of loss allowance, due from:		
– related parties	10,999	67
– third parties	24,048	29,563
	35,047	29,630
Bills receivable	–	66,000
	35,047	95,630

All of the trade receivables, net of loss allowance, are expected to be recovered within one year.

15 TRADE AND BILLS RECEIVABLES (continued)**(a) Ageing analysis**

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 month	24,417	25,115
1 to 3 months	606	3,006
3 to 6 months	1,424	1,509
6 to 12 months	8,600	–
	35,047	29,630

Further details on the Group's credit policy and credit risk are set out in Note 24(a).

16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Prepayments for purchase of inventories from:		
– related parties	544,032	630,468
– third parties	331,830	255,985
	875,862	886,453
Deposits to suppliers	3,457	3,817
Advances to staff	1,284	717
VAT recoverable	12,848	8,730
Amounts due from non-controlling equity holders of subsidiaries (Note (i))	–	24,054
Others	4,967	9,453
	22,556	46,771
Financial assets measured at amortised cost (Note (iii))	898,418	933,224

Notes:

- (i) During the year ended 31 December 2024, two subsidiaries of the Group, Liaoning Oilfield and Dandong Kuandian (the "Subsidiaries"), were imposed of payment of taxes and surcharges in connection with certain taxes chargeable to the Subsidiaries prior to their becoming the Group's subsidiaries (in August 2020) for the period between 2018 to 2020. While the Group has followed authorities' request to fulfill the payment obligations of such taxes and surcharges during the year ended 31 December 2024, the relevant equity holders of the Subsidiaries repaid such amount to the Group subsequently in 2025.
- (ii) All of the deposits and other receivables are expected to be recovered or recognised as expenses within one year.

17 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION**(a) Cash at bank and on hand comprise:**

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Cash at bank and on hand	190,041	70,278
Pledged and restricted bank deposits <i>(Note (i))</i>	175,590	88,350
Cash at bank and on hand in the consolidated statement of financial position	365,631	158,628
Less: pledged and restricted bank deposits	(175,590)	(88,350)
Cash and cash equivalents in the consolidated cash flow statement	190,041	70,278

Notes:

- (i) *The balances were pledged for bank and other loans and bills issued by the Group (see Note 18(d) and Note 19).*
- (ii) *The Group's operations in the PRC (excluding Hong Kong) conducted their businesses in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC (excluding Hong Kong) is subject to the exchange restrictions imposed by the PRC government.*

17 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (continued)**(b) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities from financing activities are liabilities for which cash flow were, or future cash flow will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank and other loans RMB'000 (Note 18)	Interest payable RMB'000	Dividends payable RMB'000	Lease liabilities RMB'000 (Note 21)	Total RMB'000
At 1 January 2025	493,015	–	8,100	264,895	766,010
Changes from financing cash flows:					
Proceeds from bank and other loans	664,324	–	–	–	664,324
Repayment of bank and other loans	(444,725)	–	–	–	(444,725)
Capital element of lease rentals paid	–	–	–	(13,150)	(13,150)
Interest element of lease rentals paid	–	–	–	(267)	(267)
Dividend paid to equity shareholders of the Company	–	–	(13,872)	–	(13,872)
Distributions paid to non-controlling equity holder of a subsidiary	–	–	(8,458)	–	(8,458)
Interest paid	–	(7,861)	–	–	(7,861)
Total changes from financing cash flows	219,599	(7,861)	(22,330)	(13,417)	175,991
Other changes:					
Net increase in lease liabilities during the year	–	–	–	2,005	2,005
Transferred to accrual and other payables	–	–	–	(39,665)	(39,665)
Dividend approved during the year	–	–	13,872	–	13,872
Distributions to non-controlling equity holders of subsidiaries	–	–	358	–	358
Finance costs (Note 6(a))	–	7,861	–	16,742	24,603
Total other changes	–	7,861	14,230	(20,918)	1,173
At 31 December 2025	712,614	–	–	230,560	943,174

17 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (continued)**(b) Reconciliation of liabilities arising from financing activities (continued)**

	Bank and other loans RMB'000 (Note 18)	Interest payable RMB'000	Dividends payable RMB'000	Lease liabilities RMB'000 (Note 21)	Total RMB'000
At 1 January 2024	393,778	–	–	298,645	692,423
Changes from financing cash flows:					
Proceeds from bank and other loans	451,015	–	–	–	451,015
Repayment of bank and other loans	(351,778)	–	–	–	(351,778)
Capital element of lease rentals paid	–	–	–	(28,324)	(28,324)
Interest element of lease rentals paid	–	–	–	(18,841)	(18,841)
Special dividend paid to equity shareholders of the Company	–	–	(27,355)	–	(27,355)
Distributions paid to non-controlling equity holder of a subsidiary	–	–	(14)	–	(14)
Interest paid	–	(10,576)	–	–	(10,576)
Total changes from financing cash flows	99,237	(10,576)	(27,369)	(47,165)	14,127
Exchange adjustments	–	–	10	–	10
Other changes:					
Net decrease in lease liabilities during the year	–	–	–	(5,747)	(5,747)
Special dividend approved during the year	–	–	27,345	–	27,345
Distributions to non-controlling equity holders of subsidiaries	–	–	8,114	–	8,114
Finance costs (Note 6(a))	–	10,576	–	19,162	29,738
Total other changes	–	10,576	35,459	13,415	59,450
At 31 December 2024	493,015	–	8,100	264,895	766,010

17 CASH AT BANK AND ON HAND AND OTHER CASH FLOW INFORMATION (continued)**(c) Total cash outflows for leases**

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows		
– Lease rentals paid	3,778	4,433
Within financing cash flows		
– Lease rentals paid	13,417	47,165
	17,195	51,598

18 BANK AND OTHER LOANS**(a) The Group's short-term bank and other loans are analysed as follows:**

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Bank loans:		
Secured by property, plant and equipment, investment properties, trade and bills receivable and/or restricted bank deposits of the Group, and/or guaranteed by related parties (<i>Note 18(d) and (e)</i>)	413,350	320,350
Guaranteed by related parties (<i>Note 18(e)</i>)	219,600	109,325
Guaranteed by a third party	–	10,000
Unsecured	24,714	3,000
	657,664	442,675
Add: current portion of long-term bank and other loans (<i>Note 18(b)</i>)	43,750	2,500
	701,414	445,175

18 BANK AND OTHER LOANS (continued)**(b) The Group's long-term bank and other loans are analysed as follows:**

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Bank and other loans:		
Secured by property, plant and equipment and/or investment properties of the Group, and/or guaranteed by related parties (Note 18(d))	54,950	50,340
Less: current portion of long-term bank and other loans (Note 18(a))	(43,750)	(2,500)
	11,200	47,840

(c) The Group's long-term bank and other loans are repayable as follow:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	43,750	2,500
After 1 year but within 2 years	11,200	41,500
After 2 year but within 5 years	—	6,340
	54,950	50,340

(d) Certain of the Group's bank and other loans and banking facilities are secured by the following assets of the Group:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Property, plant and equipment	56,270	32,141
Investment properties	1,459	1,615
Trade receivable	10,000	—
Bills receivable	—	66,000
Restricted bank deposits (Note 17(a))	175,590	88,350
	243,319	188,106

18 BANK AND OTHER LOANS (continued)

- (e) At 31 December 2025, bank loans and bank acceptance bills facilities of the Group amounted to RMB295,200,000 (2024: RMB286,000,000), and were utilised to the extent of RMB292,150,000 (2024: RMB251,340,000). These facilities are secured by the Group's property, plant and equipment, and/or investment properties disclosed in note 18(d) and/or guaranteed by related parties.

At 31 December 2025, bank loans of the Group amounted to RMB30,000,000 (2024: RMB30,000,000) are secured by the Group's property, plant and equipment disclosed in note 18(d) and/or guaranteed by Mr. Zhao Jinmin and his spouse or guaranteed by related parties.

- (f) Certain of the Group's bank loans are subject to the fulfilment of covenants commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the loans would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 24(b). At 31 December 2025, none of the covenants relating to the bank loans had been breached (2024: None).

19 TRADE AND BILLS PAYABLES

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables due to: – third parties	2,325	2,748
	2,325	2,748
Bills payable (Note 17(a))	5,000	–
	7,325	2,748

All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of the Group's trade and bills payables, based on the invoice date, is as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 month	7,315	2,738
Over 3 months	10	10
	7,325	2,748

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

20 ACCRUED EXPENSES, OTHER PAYABLES AND CONTRACT LIABILITIES

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Payables for staff related costs	5,349	6,345
Deposits from customers	1,833	2,143
Payables for acquisitions of property, plant and equipment	10,007	2,977
Other taxes payables	9,470	6,642
Amounts due to a related party (Note 26 (a))	152,826	125,965
Payables to co-operative refuelling stations (Note (i))	14,634	28,691
Dividends payable (Note (ii))	–	8,100
Others	12,300	19,716
Financial liabilities measured at amortised cost	206,419	200,579
Contract liabilities – receipts in advance in connection with wholesale of refined oil and LPG due to:		
– related parties	9,668	102,085
– third parties	157,423	138,068
Contract liabilities – vehicular end-users' prepaid cards for consumption at refuelling stations	167,091	240,153
	83,607	108,985
	250,698	349,138
	457,117	549,717

All of the accrued expenses, other payables and contract liabilities are expected to be settled or recognised as revenue within one year or are repayable on demand.

Notes:

- (i) The Group's vehicular end-users can purchase prepaid cards issued by the Group at the Group's refuelling stations. Under co-operation arrangements entered into between the Group and other small-size refuelling stations in surrounding areas where the Group operates ("Co-operative Refuelling Stations"), the Group's vehicular end-users can use these prepaid cards at these Co-operative Refuelling Stations for the consumption of refined oil and natural gas. The Group will make periodic settlements with these Co-operative Refuelling Stations.
- (ii) The amounts represented dividends payable to non-controlling equity holders of a subsidiary which were settled subsequently.

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

21 LEASE LIABILITIES

At 31 December 2025, the Group's lease liabilities are repayable as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	87,393	87,357
After 1 year but within 2 years	36,459	34,201
After 2 years but within 5 years	106,708	114,238
After 5 years	–	29,099
	143,167	177,538
	230,560	264,895
Lease liabilities due to:		
– related parties	217,647	245,640
– third parties	12,913	19,255
	230,560	264,895

On 24 August 2020 (the "Completion Date"), the Company acquired the petroleum refuelling business, comprising the operation of petroleum stations and storage facilities and the provision of transportation of petroleum services, through the acquisition of the entire issued share capital of Eternal Global (the "Acquisition"). On Completion Date and as part of the Acquisition, entrusted agreements (the "Entrusted Management Agreement") were also entered into between New United Strength, a wholly owned subsidiary of Eternal Global, and Changchun Yitonghe", a company controlled by Mr. Zhao Jinmin and not part of the Acquisition, pursuant to which Changchun Yitonghe as the entrusting party entrusted New United Strength as the operating party with an exclusive right to use all the assets, property, land, equipment, licences and designated bank accounts necessary for the operation and management of the petroleum refuelling stations and petroleum storage facilities owned by Changchun Yitonghe. The entrustment fee under the Entrusted Management Agreement is for a period of ten years. The Entrusted Management Agreement and related entrustment fees are accounted for as leases in accordance with the accounting policies set out in Note 2(h). Under the Entrusted Management Agreement, the Group has been granted priority renewal right under the same conditions when the Entrusted Management Agreement matures in August 2030.

22 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION**(a) Movements of current taxation in the consolidated statement of financial position are as follows:**

	2025 RMB'000	2024 RMB'000
Income tax payable at 1 January, net	10,146	6,195
Provision for the year (Note 7(a))	36,534	44,611
Income tax paid	(39,954)	(40,660)
Income tax payable at 31 December, net	6,726	10,146
Representing:		
Income tax payable	13,004	16,026
Income tax recoverable	(6,278)	(5,880)
	6,726	10,146

(b) Deferred tax assets and liabilities recognised

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Unused tax losses RMB'000	Accrual and other payables RMB'000	Credit loss allowance RMB'000	Impairment loss on property, plant and equipment RMB'000	Right-of- use assets RMB'000	Lease liabilities RMB'000	Fair value adjustments on property, plant and equipment and subsequent depreciation RMB'000	Retained profits to be distributed RMB'000	Net RMB'000
At 1 January 2024	29,403	-	99	79	(56,951)	66,607	(3,065)	(402)	35,770
Credited/(charged) to the consolidated statement of profit or loss (Note 7(a))	17,914	-	456	-	27,603	(25,559)	138	402	20,954
At 31 December 2024	47,317	-	555	79	(29,348)	41,048	(2,927)	-	56,724
At 1 January 2025	47,317	-	555	79	(29,348)	41,048	(2,927)	-	56,724
Credited/(charged) to the consolidated statement of profit or loss (Note 7(a))	3,866	-	(454)	-	4,922	(4,956)	404	-	3,782
Reclassification	(21,891)	21,891	-	-	-	-	-	-	-
At 31 December 2025	29,292	21,891	101	79	(24,426)	36,092	(2,523)	-	60,506

22 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**(b) Deferred tax assets and liabilities recognised (continued)**

Reconciliation of deferred tax assets and liabilities recognised in the consolidated statement of financial position:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Deferred tax assets recognised in the consolidated statement of financial position	63,029	59,651
Deferred tax liabilities recognised in the consolidated statement of financial position	(2,523)	(2,927)
	60,506	56,724

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2(q), the Group has not recognised deferred tax assets in respect of cumulative tax losses and certain deductible temporary differences of RMB106,622,000 (2024: RMB12,584,000) as it is not probable that future taxable profits against which the losses or the temporary differences can be utilised will be available in the relevant tax jurisdiction and entities. Except for the amount of RMB2,714,000 which will not expire under the relevant tax legislation, the remaining unused tax losses at 31 December 2025 will expire on or before 31 December 2030.

(d) Deferred tax liabilities not recognised

At 31 December 2025, taxable temporary differences relating to the undistributed profits of the subsidiaries of the Group established in the PRC (excluding Hong Kong) amounted to RMB241,464,000 (2024: RMB259,484,000), where deferred tax liabilities in respect of the PRC withholding tax that would be payable on the distributions of these profits have not been recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that such profits will not be distributed in the foreseeable future.

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

23 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital RMB'000 (Note 23(c))	Share premium RMB'000 (Note 23(d)(i))	Exchange reserve RMB'000 (Note 23(d)(iv))	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	32,293	711,315	16,867	(17,293)	743,182
Changes in equity for 2024:					
Loss for the year	–	–	–	(9,184)	(9,184)
Other comprehensive income for the year	–	–	15,470	–	15,470
Total comprehensive income	–	–	15,470	(9,184)	6,286
Special dividend approved during the year (Note 23(b)(iii))	–	(27,345)	–	–	(27,345)
At 31 December 2024 and 1 January 2025	32,293	683,970	32,337	(26,477)	722,123
Changes in equity for 2025:					
Loss for the year	–	–	–	(5,822)	(5,822)
Other comprehensive income for the year	–	–	(18,178)	–	(18,178)
Total comprehensive income	–	–	(18,178)	(5,822)	(24,000)
Dividend approved during the year (Note 23(b)(iii))	–	(13,872)	–	–	(13,872)
At 31 December 2025	32,293	670,098	14,159	(32,299)	684,251

23 CAPITAL, RESERVES AND DIVIDENDS (continued)**(b) Dividends****(i) Dividends payable to equity shareholders of the Company attributable to the year**

	2025 RMB'000	2024 RMB'000
Final dividend proposed after the end of the reporting period of Nil per ordinary share (2024: HK\$0.04 per ordinary share)	—	13,872

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the year

	2025 RMB'000	2024 RMB'000
Final dividend in respect of the previous financial year, approved during the following year, of HK\$0.04 per ordinary share	13,872	—

(iii) Special dividend to equity shareholders of the Company approved and paid during the year

	2025 RMB'000	2024 RMB'000
Special dividend approved during the year, of HK\$0.08 per ordinary share	—	27,345

(c) Share capital

	2025		2024	
	No. of shares '000	HK\$'000	No. of shares '000	HK\$'000
Authorised:				
Ordinary shares of HK\$0.1 each	800,000	80,000	800,000	80,000
	2025		2024	
	No. of shares '000	RMB'000	No. of shares '000	RMB'000
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	374,502	32,293	374,502	32,293

23 CAPITAL, RESERVES AND DIVIDENDS (continued)

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by Section 34 of the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time.

(ii) Other reserve

The balance of other reserve at the end of each reporting period represented the aggregate of the differences between the considerations paid and net assets acquired from business combinations under common control, acquisitions of non-controlling interests, the reorganisation took place prior to the listing of the Company's shares on the Stock Exchange, and/or the difference between the consideration and the net assets deemed to be distributed by the Group in business combinations under common control.

(iii) Statutory reserve

In accordance with the relevant PRC laws and regulations, the Company's subsidiaries established in the PRC (excluding Hong Kong) required to transfer 10% of their net profits (if any) to the statutory reserve until the reserve reaches 50% of the respective registered capital of these subsidiaries. The transfer to this reserve must be made before distributions to equity holders. This reserve can be utilised in setting off accumulated losses or increase paid-up capital of the respective subsidiaries and is non-distributable other than in liquidation.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(t).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Group's business. The Group is not exposed to significant currency risk.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents are limited because the counterparties are banks and financial institutions with high credit standings, which the Group considers to represent low credit risk. The Group's exposure to credit risk in respect of guarantees is disclosed in Note 26(a).

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of the customer or debtor rather than the industry in which the customers or debtors operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers or debtors. At 31 December 2025, 34% (2024: 27%) and 56% (2024: 58%) of the trade receivables were due from the Group's largest debtor and the five largest debtors, respectively.

Individual credit evaluations are performed on all customers and debtors requiring credit over a certain amount. These evaluations focus on the customer's and debtor's past history of making payments when due and current ability to pay, and take into account information specific to the customer and debtor as well as pertaining to the economic environment in which the customer and debtor operates. The Group's customers include individual and corporate customers, and cash before delivery is generally required for all individual customers, where credit terms of one month are granted to corporate customers. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significant different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at 31 December 2025:

	At 31 December 2025		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	1.0%	34,664	247
Less than 1 month past due	3.0%	293	9
1 to 3 months past due	30.0%	460	138
Over 3 months past due	50.0%	47	23
		35,464	417

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Trade receivables (continued)

	At 31 December 2024		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	1.0%	25,369	254
Less than 1 month past due	3.0%	1,994	60
1 to 3 months past due	19.1%	2,183	417
Over 3 months past due	64.8%	2,316	1,501
		31,862	2,232

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the loss allowance account in respect of trade receivables during the year are as follows:

	2025 RMB'000	2024 RMB'000
Balance at 1 January	2,232	397
Impairment (reversal)/loss during the year	(1,815)	1,835
Balance at 31 December	417	2,232

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest dates the Group can be required to pay:

	At 31 December 2025					
	Contractual undiscounted cash outflow					Carrying amount RMB'000
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Bank and other loans	707,536	11,422	–	–	718,958	712,614
Trade and bills payables	7,325	–	–	–	7,325	7,325
Accrued expenses and other payables measured at amortised cost	206,419	–	–	–	206,419	206,419
Lease liabilities	101,515	47,839	122,324	–	271,678	230,560
	1,022,795	59,261	122,324	–	1,204,380	1,156,918

At 31 December 2024						
Contractual undiscounted cash outflow						
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
Bank and other loans	448,465	42,549	6,474	–	497,488	493,015
Trade and bills payables	2,748	–	–	–	2,748	2,748
Accrued expenses and other payables measured at amortised cost	200,579	–	–	–	200,579	200,579
Lease liabilities	53,781	48,277	139,732	30,631	272,421	264,895
	705,573	90,826	146,206	30,631	973,236	961,237

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

(i) Interest rate risk profile

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest bearing bank borrowings and lease liabilities. Borrowings issued at variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively.

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group's borrowings at the end of the reporting period:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Fixed rate borrowings:		
Bank and other loans	712,614	483,015
Lease liabilities	230,560	264,895
	943,174	747,910
Variable rate borrowings:		
Bank and other loans	—	10,000
	943,174	757,910

(ii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately RMB Nil (2024: RMB75,000).

(d) Fair value measurement of financial instruments

Fair value of financial instruments carried at other than fair value

The carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2025 and 2024.

25 COMMITMENTS

Capital commitments outstanding at 31 December 2025 not provided for in the consolidated financial statements were as follows:

	At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
Commitments in respect of acquisitions of property, plant and equipment:		
– Authorised but not contracted for	18,197	27,135

26 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the material related party transactions entered into by the Group during the year are set out below.

(a) Transactions with the ultimate controlling party, companies controlled by the ultimate controlling party of the Company and his close family member

	2025 RMB'000	2024 RMB'000
Sales of goods	28,004	205,663
Provision of transportation services	16,833	22,143
Purchases of goods	2,223,937	2,932,319
Rental income from operating leases	505	354
Operating lease charges (recognised as depreciation and interest expenses from right-of-use assets under IFRS 16)	47,284	49,266
Other operating lease charges	913	979
Service fee for construction services received	7,423	—
Service fee for other services received	3,149	4,676
Guarantees received for the Group's bank and other loans at the end of the reporting period	399,000	313,675
Guarantees received for the Group's banking facilities at the end of the reporting period	26,600	50,000

Note:

Changchun Yitonghe Petroleum Distribution Company Limited ("Changchun Yitonghe") settled payments to suppliers on behalf of the Group. These payments were in relation to purchase of refined oil for operation of petroleum refuelling stations and petroleum storage facilities, which are owned by Changchun Yitonghe and operated by the Group according to the Entrusted Management Agreement (as defined and described in Note 21). During the year ended 31 December 2025, the payments, in aggregate, amounted to RMB2,723,552,000 (2024: RMB2,680,520,000), including payments by bank acceptance notes of RMB2,376,500,000 (2024: RMB1,875,000,000) issued by Changchun Yitonghe. During the year ended 31 December 2025, the cumulative amount repaid by the Group to Changchun Yitonghe is RMB2,736,712,000 (2024: RMB2,902,992,000).

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees of the Group as disclosed in Note 9, is as follows:

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	6,099	6,339
Contributions to defined contribution retirement plans	419	658
	6,518	6,997

Total remuneration is included in "staff costs" in Note 6(b).

Notes to the financial statements (continued)

(Expressed in RMB unless otherwise indicated)

27 COMPANY – LEVEL STATEMENT OF FINANCIAL POSITION

		At 31 December 2025 RMB'000	At 31 December 2024 RMB'000
	Note		
Non-current assets			
Interests in subsidiaries	12	680,104	717,831
		680,104	717,831
Current assets			
Cash and cash equivalents		6,132	4,550
		6,132	4,550
Current liabilities			
Other payables		1,985	258
		1,985	258
Net current assets		4,147	4,292
NET ASSETS		684,251	722,123
CAPITAL AND RESERVES	23		
Share capital		32,293	32,293
Reserves		651,958	689,830
TOTAL EQUITY		684,251	722,123

Approved and authorised for issue by the board of directors on 30 March 2026.

Zhao Jinmin
Chairman

Bian Xiaodan
Director

28 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

The directors of the Company consider the immediate holding company and ultimate controlling party of the Company at 31 December 2025 to be Golden Truth Holdings Limited, which is incorporated in the British Virgin Islands, and Mr. Zhao Jinmin, respectively. Golden Truth Holdings Limited does not produce financial statements available for public use.

29 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is 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:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, 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 provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and is still in the process of assessing the impact of the adoption.

FINANCIAL SUMMARY

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years. The financial information for the year ended 31 December 2025 is extracted from the financial statements in this annual report.

RESULTS

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	6,163,633	7,724,326	7,346,895	6,089,366	5,830,081
Profit before taxation	31,876	94,313	64,073	36,872	252,124
Income tax	(32,752)	(23,657)	(20,769)	(17,921)	(70,200)
(Loss)/profit for the year	(876)	70,656	43,304	18,951	181,924
Attributable to:					
Equity shareholders of the Company	(2,374)	67,791	39,489	16,530	176,620
Non-controlling interests	1,498	2,865	3,815	2,421	5,304
(Loss)/profit for the year	(876)	70,656	43,304	18,951	181,924

ASSETS AND LIABILITIES

	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Total assets	1,954,690	1,877,283	1,914,596	1,555,454	1,544,375
Total liabilities	1,423,143	1,329,328	1,402,489	1,087,830	1,095,714
	531,547	547,955	512,107	467,624	448,661
Total equity attributable to					
Equity shareholders of the Company	493,042	510,671	469,503	428,684	411,804
Non-controlling interests	38,505	37,284	42,604	38,940	36,857
	531,547	547,955	512,107	467,624	448,661