中裕能源控股有限公司
ZHONGYU ENERGY HOLDINGS LIMITED

Stock Code 股份代號: 3633

Environmental, Social and Governance Report
環境、社會及管治報告 2025



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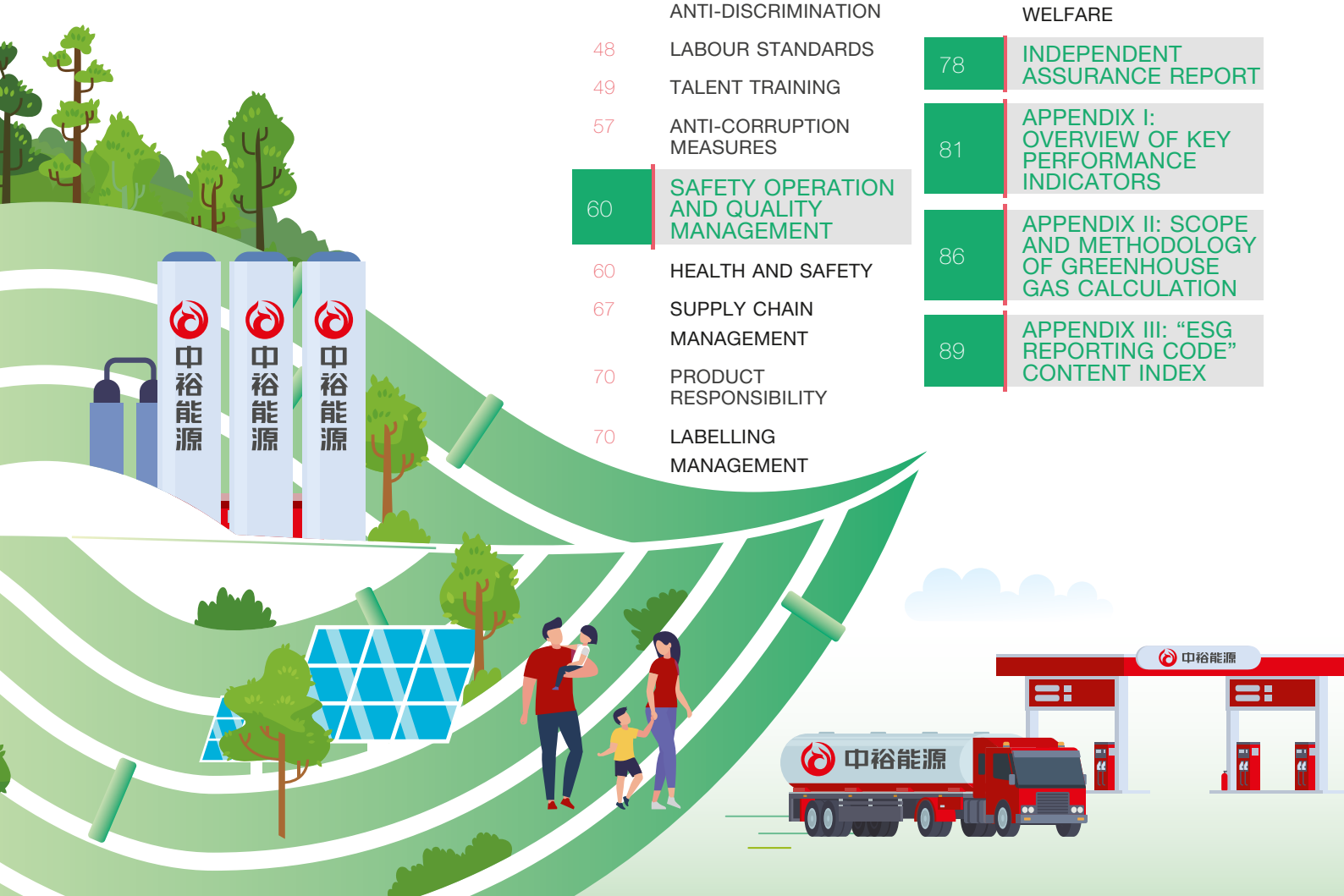
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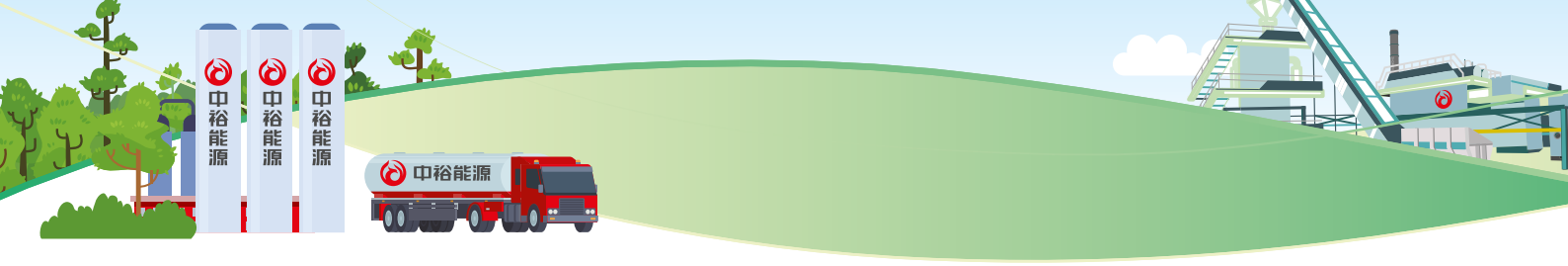
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ABOUT THE REPORT

ABOUT THE REPORT

Zhongyu Energy Holdings Limited ("Zhongyu Energy" or the "Company") and its subsidiaries (collectively referred to as the "Group") publishes the *"Environmental, Social and Governance Report 2025"* (the "Report") whereby reporting on the policies, measures and performances in the environmental, social and governance ("ESG") aspects of the Group, provides stakeholders with a better understanding of the Group's progress and direction on sustainable development. The Group publishes annual ESG report regularly for the public to access and continues to improve the transparency of information disclosure.

To facilitate representation and easy for reading, Zhongyu Energy uses "Zhongyu", the "Group" and "We" respectively as the representation in the report.

The Report is available in both Chinese and English and has been uploaded to the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Group website www.zhongyuenergy.com. In case of any inconsistency between the Chinese and English versions, the Chinese version shall prevail. In case of any inconsistency between the Report and the annual report, the annual report shall prevail.

SCOPE OF THE REPORT

The environmental and social key performance indicators disclosed in the Report remains unchanged, and cover all operations and businesses in Hong Kong and Mainland China.

The Report covers the sustainability performance of the Group's daily operations and businesses from 1st January, 2025 to 31st December, 2025 (the "Year"). Businesses of the Group mainly include the sales of gas, the operation of CNG/LNG vehicle filling stations, gas pipeline construction, value-added services and smart energy. The Group will continue to improve the internal data collection system to provide stakeholders with more comprehensive and accurate information in the future.

STANDARDS OF THE REPORT

The Report is prepared in accordance with Rule 13.91 and the *"Environmental, Social and Governance Reporting Code"* (the "ESG Code") set out in Appendix C2 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. The Report will be prepared on the basis of four reporting principles – Materiality, Quantitative, Balance and Consistency.

- Materiality principle – conduct regular materiality assessment to identify the issues with significant impact on the Group and related stakeholders, and ensure those issues are reflected in the Report.
- Quantitative principle – report quantifiable data, whenever possible, with explanations.
- Balance principle – reasonably disclose the risks and opportunities faced by the Group currently and in the future as well as the positive and negative influences brought by the businesses, to enable readers to make a reasonable assessment of the overall performance of Zhongyu Energy.
- Consistency principle – adopt consistent methodologies as much as possible in preparation and specify and explain the significant changes in the Report to allow for meaningful comparisons.



INFORMATION COLLECTION AND CONFIRMATION

The content and data presented in the Report is derived from documents and statistical information of all functional departments of the Group. With reference made to the related systems and policies, consolidation and integration with monitoring, management and operational data from related departments and subsidiaries have been carried out. Should there be no specific explanation, all amounts disclosed in the Report shall be denominated in RMB.

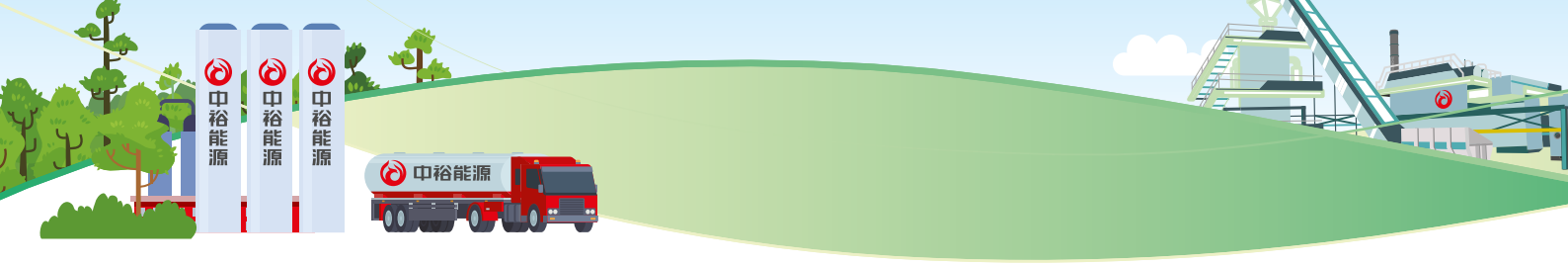
The Report is prepared by the ESG Office of the Group and has been reviewed and approved by the ESG Committee and the board of directors (the "Board" or the "Directors"). The Group has established an internal control and risk management mechanism to ensure that all information set out in the Report is accurate and reliable.

The Report was confirmed and approved by the Board of the Company and the ESG Committee on 24 April, 2026.

FEEDBACK

Stakeholder feedback and suggestions assist the Group in further refining its sustainability strategies. Should you have any enquiries regarding the contents or reporting format of this Report, please feel free to contact the Group.

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ABOUT ZHONGYU ENERGY

Against the backdrop of the energy transition and "carbon neutrality," Zhongyu Energy (Stock Code: 3633.HK) has strategically expanded its smart energy presence by leveraging its core business. In doing so, the Group has evolved beyond its traditional business model to actively support national strategic priorities, such as low-carbon transformation.

INTEGRATED ENERGY SERVICE PROVIDER

As a forerunner in the domestic gas industry with "developing clean energy and achieving a better life" as its mission, Zhongyu Energy strives to make its due contribution to optimise the energy structure of the regions where it operates, promote conservation of resources, enhance the quality of life of the citizens and improve the quality of the environment. Since its establishment in 2002, from establishing a foothold in a region to operating a network across the nation, Zhongyu Energy has been forging ahead with determination towards the goal of "becoming the most valuable integrated energy service provider". As of 31st December, 2025, the Group has 74 franchised gas projects with concession rights across 11 provinces. It has constructed accumulated intermediate and main pipeline network of approximately 28,597 kilometers and operated 237 smart energy projects nationwide, serving 35,340 industrial and commercial customers and approximately 5.40 million residential households with safe, reliable and clean energy products and services.

Currently, Zhongyu Energy involves in a variety of businesses in the city gas sector, such as residential cooking, gas boiler heating, hotel hot water system, gas air-conditioning and commercial catering. At the same time, it actively explores one-stop services and has provided one-stop services of gas boilers for numerous schools. It also provides one- stop services of central heating for various residential communities. In the industrial fuel sector, the Group involves in dozens of industries such as chemical industry, construction materials, metal smelting and food processing, including central enterprises, state-owned enterprises and leaders of various industries. In line with the national "dual-carbon" strategy, and to meet its own needs for optimisation and adjustment of business structure, Zhongyu Energy has scientifically deployed its development in the green energy market, and continued to further focus on the three major smart energy business segments including energy management contract, district energy supply, and low-carbon transportation.

NEW STRATEGY OF BUSINESS LAYOUT

In 2021, Zhongyu Energy put forward the proposal for transformation and development strategy to promote the transition of the Group's businesses towards a cleaner and low-carbon direction. In terms of business structure, the Group remains anchored in its core city gas business while building a customer-centric, high-quality service system catering to residential, industrial, and commercial users. Leveraging high levels of customer stickiness, the Group continues to expand its value-added services and new retail market presence. Concurrently, the Group has adopted an integrated industry chain strategy to proactively respond to market shifts following the establishment of PipeChina, thereby enhancing gas supply security and energy trading.

Leveraging its inherent advantages in the energy sector derived from its city gas operations, the Group has vigorously advanced business segments including low-carbon buildings, low-carbon industrial parks, energy management services, industrial energy-saving retrofits, and incremental power distribution networks. While actively expanding into the clean energy market, the Group introduced a transformation strategy during the Year centered on "developing zero-carbon coupling initiatives with biomass as the primary pillar". By scaling its biomass operations, the Group contributes to the nation's green and sustainable development. To date, the Group has achieved significant breakthroughs in the biomass sector, successfully establishing a presence across the entire upstream and downstream value chain, with a clear strategic roadmap emerging.

TRANSFORMATION AND DEVELOPMENT FOR A GREEN FUTURE

In response to the national "30·60" dual-carbon goal, and in response to the energy market reform, Zhongyu Energy, based on its main business, continuously explores the industrial chain, builds an ecosystem, and is committed to expanding new business forms and creating new values. Focused on the operating principle of "market-driven, customer-oriented, and efficiency-centred", safeguarding energy safety and supply and low-carbon green development have



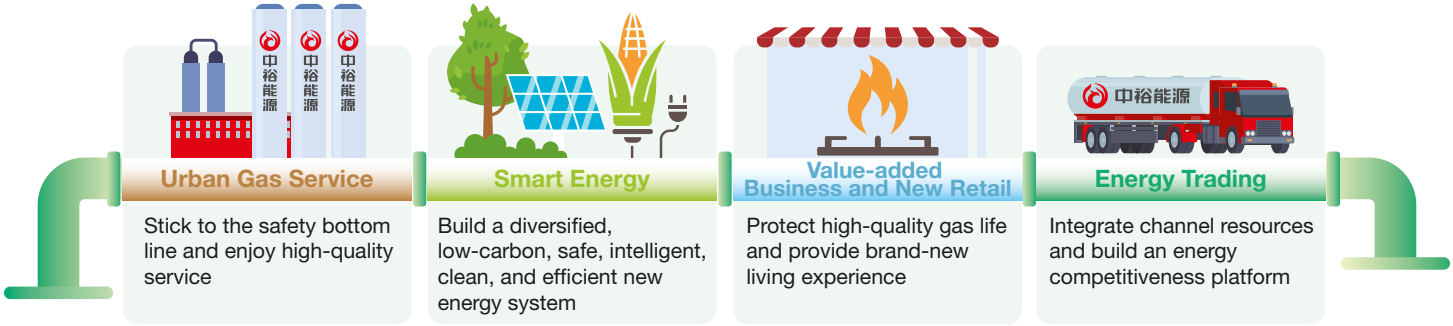
now become the consensus of the whole industry. Aligning its strategies with operational realities, Zhongyu Energy proactively contributes to the high-quality development of the energy sector. By balancing energy security with the green transition, the Group ensures the steady growth of its gas business while embracing the global shift toward low-carbon development. Furthermore, it continues to explore smart energy opportunities to achieve efficient synergies with its city gas operations, taking concrete actions to drive the transition toward a green and low-carbon energy future.

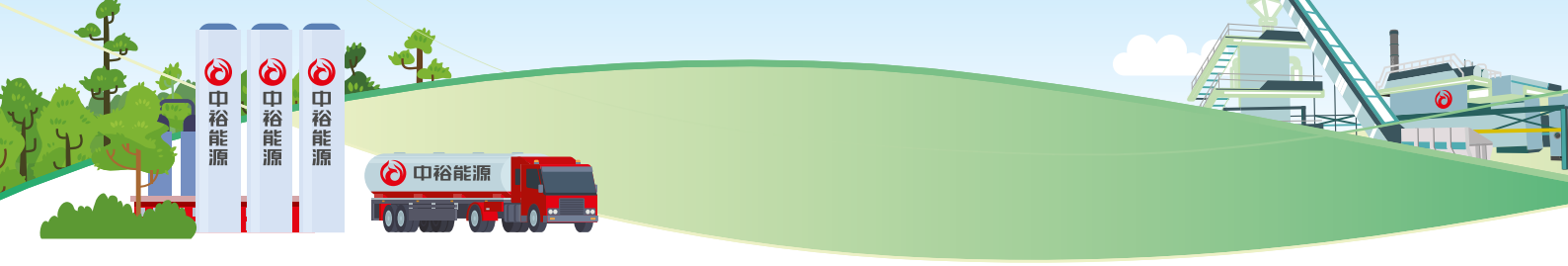
In 2025, the Group continued its outstanding performance in green and sustainable development, further advancing low-carbon energy transformation and green financial innovation. This year, Zhongyu Energy received various prestigious awards, including the "Green and Sustainable Loan Issuer Contribution Commendation Award (Public Utilities)" the "Gold Seal for Contribution to Sustainable Facility" and the "Gold Seal for Contribution to Sustainable Property". Notably, the Group's exceptional transparency in ESG disclosure earned it not only the "Pioneering Award for ESG Disclosure Contribution" from the Hong Kong Quality Assurance Agency for the four consecutive years, but also the "Pioneering Organisation in ESG Disclosure Enhancement". This series of achievements fully demonstrates Zhongyu Energy's continuous efforts in ESG information disclosure, climate resilience, and green asset management, and once again received high recognition from the market and the industry.

In the future, Zhongyu Energy will continue to uphold its corporate mission of "Developing Clean Energy and Achieving a Better Life". It will actively expand its urban gas business and vigorously develop green energy innovation. The Company will seize the opportunities emerged from green finance and sustainable development, further expand the scale and scope of its integrated energy projects, enhance its digital management capabilities, and ensure the safe, efficient and stable operation of its business through the construction of an advanced gas pipeline network and intelligent operation platform for smart energy projects. In the course of corporate development, Zhongyu Energy will continue to improve its ESG system, the ESG training for its employees, as well as ESG and climate risk disclosure, so as to strengthen its market competitiveness and contribute to China's green and sustainable development.

BUSINESS OVERVIEW

Currently, the Group's business development is diversified and has shifted from "start and thrive" to a stage of "steady and acceleration".





AWARDS AND ACCOLADES

Zhongyu Energy has made great efforts in the area of green finance and ESG risk management in recent years and has received the following awards and accolades in 2025.



"Gold Seal for Contribution to Sustainable Property"

"Gold Seal for Contribution to Sustainable Facility"



"Pioneering Organisation in ESG Disclosure Enhancement"

"Outstanding Award for ESG Disclosure Contribution"

"Green and Sustainable Loan Issuer Contribution Commendation Award (Public Utility)"

MESSAGE FROM THE CHAIRMAN



In 2025, with the profound adjustments of the global energy landscape, China's energy transition entered a critical phase. Amid industrial transformation and market challenges, Zhongyu Energy has remained committed to its corporate mission of "Developing Clean Energy and Achieving a Better Life", steadfastly pursuing a path of green, low-carbon, and sustainable high-quality development. During the Year, the Group continued to deepen its refined management to ensure safety and stability of energy use within its operating regions. Our transformation strategy of "focusing on biomass business to carry out zero-carbon coupling business" achieved significant breakthroughs. Several biomass comprehensive utilization demonstration projects successfully commenced commercial operations, creating favorable economic and environmental benefits. At the same time, we continued to promote the implementation of green finance projects to provide solid support for the Group's green transition, thereby achieving a virtuous cycle between business operations and capital allocation.

Safety is the lifeline of our enterprise and our most steadfast commitment to society. In 2025, the Group embedded the concept of "enhancing safety with technologies" throughout the tasks of the year, comprehensively upgrading the "Smart Gas" and "Energy Dispatching Platform". By leveraging technologies such as the Internet of Things (IoT), big data, and artificial intelligence (AI), we achieved real-time monitoring, intelligent early warning, and precise control of pipeline network operation, station safety, and user-end risks. We continued to deepen the long-term mechanism

for “full-chain” investigation and rectification for potential safety hazards. The team of certified safety engineers grew simultaneously in size and professional capability. During the Year, we once again achieved “zero major or more serious production safety accidents”.

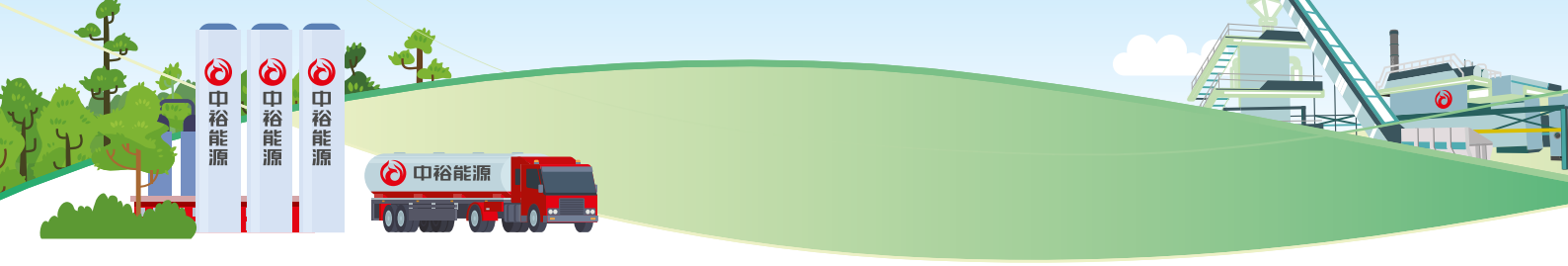
During the Year, the Group took a strategic step in the smart energy sector, successfully establishing a presence across the entire biomass value chain. This move not only diversifies our portfolio in the field of biomass gasification equipment but also creates synergies with existing biomass and smart energy businesses, further extending the Group’s “zero-carbon coupling” value chain. Fully leveraging the closed-loop advantages of the “technology + equipment + service” model, we provide customers with more economical and environmentally friendly energy options, contributing to regional ecological improvement and development of the circular economy.

Talent is the Group’s most valuable strategic resource. In 2025, we continued to deepen our “people-oriented” development philosophy, improved the full-chain talent system of “Selection, Employment, Training, and Retention”, and developed fairer, more inclusive, and diversified pathways for career development. The Group increased investment in employee health and mental care, and work environment optimization. Through integrated online and offline platforms such as “Zhongyu Cloud Academy”, we provided employees with multi-dimensional lifelong learning opportunities covering professional skills, digital literacy, and safety leadership. We are pleased to see more employees aligning their personal growth with the Group’s mission, realizing their potential while driving our strategic objectives.

As a highly socially responsible enterprise, Zhongyu Energy has always integrated its own development into the broader paradigm of social progress. In 2025, we continued to carry out public welfare campaigns such as promoting gas safety in communities, schools and villages, and provided targeted assistance to vulnerable groups and charitable bodies within our operating regions. Meanwhile, we established higher-standard management systems in the areas such as customer service, customer privacy protection, and methane mitigation, enhancing the operational and service standards from multiple perspectives to safeguard energy security, green development, and consumer rights.

Looking ahead, Zhongyu Energy will maintain its strategic focus, adhere to long-termism, embrace change with a more open attitude, and fulfil its missions with more pragmatic actions. We will continue to increase investment in clean energy innovation, striving to build a safer, more efficient, and smarter modern energy service system. As always, we will safeguard energy security, foster employee growth, and meet social expectations, joining hands with all stakeholders to write a brilliant new chapter of Zhongyu Energy’s high-quality transformation on the magnificent journey toward sustainable development.

Wang Wenliang
Chairman
Hong Kong
24th April 2026



SUSTAINABILITY GOVERNANCE

SUSTAINABILITY GOVERNANCE

Good corporate governance measures can effectively help Zhongyu Energy establish and achieve its long-term strategies and objectives. To better realise the standardisation and governance transparency under the sustainable development tasks of the Group, we establish the sustainability governance structure which comprises the Board, environmental, social and governance committee (the "ESG Committee") and environmental, social and governance office (the "ESG Office") to be responsible for the environmental, social and governance tasks of the Group, including climate change related tasks.

Zhongyu Energy Sustainability Governance Structure

Board

Responsible for formulating major ESG policies and objectives, planning and guiding ESG reporting

Manage / Report

ESG Committee

- Under the leadership of the Board, study the Group's ESG strategic vision, development strategies and key performance indicators
- Review and optimise the Group's ESG performance and policies, guide the research, analysis and response of ESG risks and opportunities, and integrate ESG risks into the overall risk management of the enterprise
- Review ESG work-related reports and material issues and submit them to the Board for consideration
- Ensure that all ESG work is in compliance with relevant regulations and the articles of association, and effectively promote the relationship between the Company and stakeholders
- Supervise and review the work of ESG Office

Manage

Report

ESG Office

- Responsible for allocating resources and coordinating with various departments to promote ESG work
- Organise research, analysis and response to ESG risks and opportunities of the Group
- Break down the strategic objectives and development strategies set by the ESG Committee, assign relevant tasks to each department for execution, and supervise and review the implementation of ESG-related work across departments
- Organise meetings and trainings related to ESG work
- Communicate with external institutions on the evaluation, certification and assessment of the Group's ESG work and make suggestions for improvement in a timely manner
- Coordinate the preparation and release of ESG reports

Guide / Empower

Various functional departments



Statement of the Board

The Board of the Company is committed to high standards of corporate governance, and lead the Group to grasp opportunities and respond to risks arising from sustainable development. The board of directors is the highest authority in the Group's governance structure, which is fully responsible for the Group's ESG strategies and reporting, and is responsible for developing the long-term strategy of the Group and is vested the highest decision-making authority for the related affairs.

In order to actively respond to the national "dual carbon" goals and the requirements for green economic development, the Group established the ESG Committee based on the Board's promotion and deployment of the Group's strategic transformation and upgrade, which is led by the Group's executive directors, to improve the Group's ESG management level and enhance the company's competitiveness.

The ESG Committee has set up the ESG Office, which acts as a standing body responsible for the specific work of the ESG Committee, and comprises the officers from various functional departments for assisting the committee in coordinating, implementing and supervising the sustainable development of the Group.

We also regularly communicate with stakeholders, hold internal and external activities, collect opinions from stakeholders, and conduct ESG materiality assessment. The results of the materiality assessment will be discussed at the ESG Committee meeting. The ESG Committee will consider the Company's development strategy and the external macro-environment assessment results, and take the management and improvement of key issues as a reference for the annual strategic work of sustainable development.

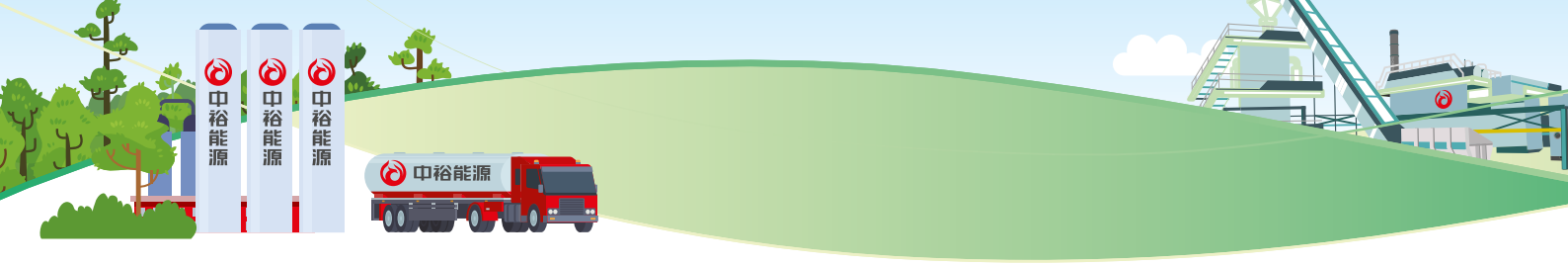
The Group has formulated Environmental, Social and Governance Policy. The purpose of formulating the policy is to optimize internal management system for environmental, social and corporate governance, strengthen internal communication and ensure all staff members understand as well as implement the policies and specific measures in a proper manner. The Group has developed qualitative ESG management goals, covering environmental, safety and staff training, and regular review over the progress of achieving the targets. Through the ESG Committee, the Board conducts regular supervision and review over the implementation progress of the aforementioned qualitative goals. As gas and smart energy are the main businesses of the Group, environmental management and safety management are directly related to the compliant operation and long-term stability of its business, and are the key to avoiding operational risks.

CORPORATE RISK GOVERNANCE

As an essential component of corporate governance, the Group is of the view that, the risk management and internal control system has a key role and is significant to the fulfillment of business objectives.

In order to enhance risk management and control, the Group established the audit and supervision committee as well as management system. The board of directors is responsible for the establishment of the risk management and internal control system to ensure clear management structure with well-defined monitoring rights and responsibilities. The effectiveness thereof is reviewed regularly by the Audit Committee. The board of directors conducts regular review on audit report and progress of rectification work to ensure that each department is able to conduct in-depth analysis of the causes of problems, actively improve the system and modify the deficiencies, and take effective measures to avoid risks.

Based on the risk management and internal control system, and the assessment of the ESG Committee of the Group, the following four major risks have been identified and evaluated, and the risk management responsibilities are clearly defined to ensure that the corresponding measures are adequate and effective to avoid the Group from incurring significant losses.

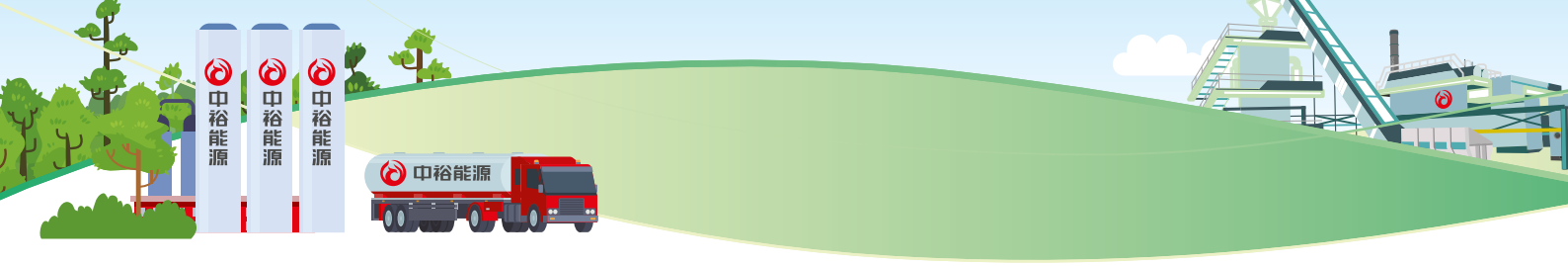


SUSTAINABILITY GOVERNANCE

Major risks	Impact	Control measures
Occupational safety	As an integrated energy service provider, the Group attaches great importance to the protection of employees' health and safety at work. In the course of operation, employees' trust in the Group will be undermined when health and safety problems occur to employees, thus affecting the operating performance of the Group.	The Group strives to reduce possible occurrences of safety accidents during operation by the following means. • Safety inspection: We established a team of internal safety auditors to carry out safety audit on the basis of safety inspection, covering the acquisition of working permits for employees who engage in specific types of jobs, distribution of work protective devices and maintenance of safety facilities. • Safety education and training: For instance, operation training on safety for special operation personnel, training on fire safety knowledge, and emergency response drills. • Regular reporting: Hold monthly production safety work meeting regularly, and supervise the reporting of the person in charge of production safety work. Prepare mid- and long-term and annual plan for production safety.
Product responsibility	The Group considers the management of health and safety risks of the products to be of great importance. In case of product quality issues, the Group will not only bear the corresponding legal risks, but also cause huge impacts on the safety of residents residing in areas around the operation sites.	• By improving the internal supervision and examination and risk control policies, as well as strengthening the management of pipeline maintenance, gas leakage and emergency plans, the Group is committed to ensuring that product quality is in line with national laws and regulations and the interests of users. • We have also set up a hotline and service centre to encourage users to report any irregularities and gas accidents. • The Group has also formulated the *Administrative Measures for Spot Check on Materials* to conduct regular spot check annually, spot checks on quality incidents, spot checks on newly admitted products and spot checks on management demand.
Policy risk	The proposal of China's "30·60" dual carbon goals has released a strong signal for the development of clean energy. The Group recognizes that natural gas has become a traditional energy source. As a natural gas service provider, it needs to always pay attention to the energy layout and continuously follow up the development of the renewable energy market.	• The Group's strategic goal is to transform from an energy development operator to an integrated energy service provider, focusing on the comprehensive development of the clean energy sector. • The Company actively develops new sustainable development-related businesses such as natural gas distributed energy, zero-carbon parks, distributed photovoltaic power, biomass energy supply, energy storage and hydrogen energy.



Major risks	Impact	Control measures
Climate risk	Climate change is becoming increasingly serious, and the physical and transformational risks caused by extreme weather will have a huge impact on the Group's daily operations. For example, extreme weather events caused by climate change (such as hurricanes, rainstorms, floods, snowstorms, etc.) may cause direct physical damage to equipment, including collapse, air leakage, etc. In addition, extreme weather events may also cause supply chain disruptions, affecting the supply of natural gas.	• The Group has formally integrated climate risk into its enterprise risk management framework. The relevant departments, collaborate with the ESG Office to regularly identify, assess, and prioritize climate risks, ensuring climate risk index align with the Group's overall risks. • We actively invest in climate adaptation strategies, such as photovoltaic and biomass energy projects, and have implemented a series of climate insurance initiatives to mitigate losses from climate change. Meanwhile, we require all subsidiaries to enhance risk assessment and management practices, including intensified equipment maintenance and inspections, flood prevention drills, and risk warning monitoring systems. • When formulating the annual budget, funds are retained for climate adaptation measures (such as equipment upgrades, consulting fees, and climate insurance). • When approving major capital expenditures or M&A transactions, climate-related risks and opportunities are comprehensively considered, balancing short-term financial costs against long-term climate resilience to ensure decisions align with the Group's long-term development interests.



COMMUNICATION WITH STAKEHOLDERS

The Group believes that establishing good interaction and long-term cooperative relationship with stakeholders can help realise our sustainable development vision. The Group is committed to communicating with key internal and external stakeholders through daily operations and various communication channels to understand their expectations and opinions on the Group's sustainable development performance, so as to formulate corresponding strategies, examine potential risks and opportunities, and build common values. During the Year, we continued to maintain regular sound and orderly communication with various stakeholders.

Stakeholders	Communication means
Employees	Meeting, regular communication, mail, trainings and activities, internal grievance redress mechanism
Shareholders and investors	General meetings, regular communication, announcements, circulars, financial reports
Customers	Service supervision calls, community service centres and counters, social media, lectures, satisfaction survey
Suppliers and partners	Tender meeting, strategic cooperation, technical exchange, on-site inspection
Government	Regular communication, cooperation project, inspection guidance, seminars
Community	Visits and exchanges, publicity and public education, community welfare services

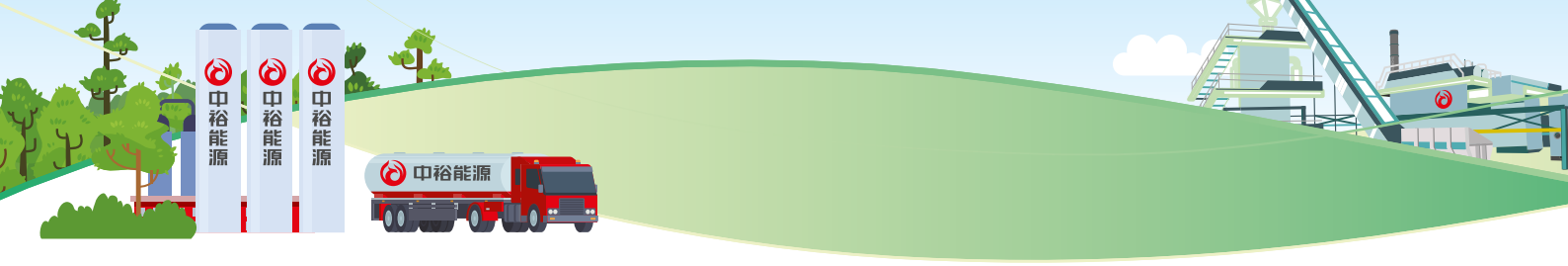
MATERIAL ISSUES

In accordance with the *Environmental, Social and Governance Reporting Code* of the Stock Exchange and the relevant principles, and taking into account the focus of the capital market on the Group's sustainable development, the Group benchmarks the disclosed contents of its ESG report against its peers through multiple channels of communication and exchange with various stakeholders, so as to identify and screen out ESG issues of importance to the Group and provide a basis for the sustainable development strategy. This year, we further upgraded our materiality assessment mechanism by adopting a "double materiality" perspective, evaluating both the financial impact of issues on corporate value and their actual impact on the external environment and society.

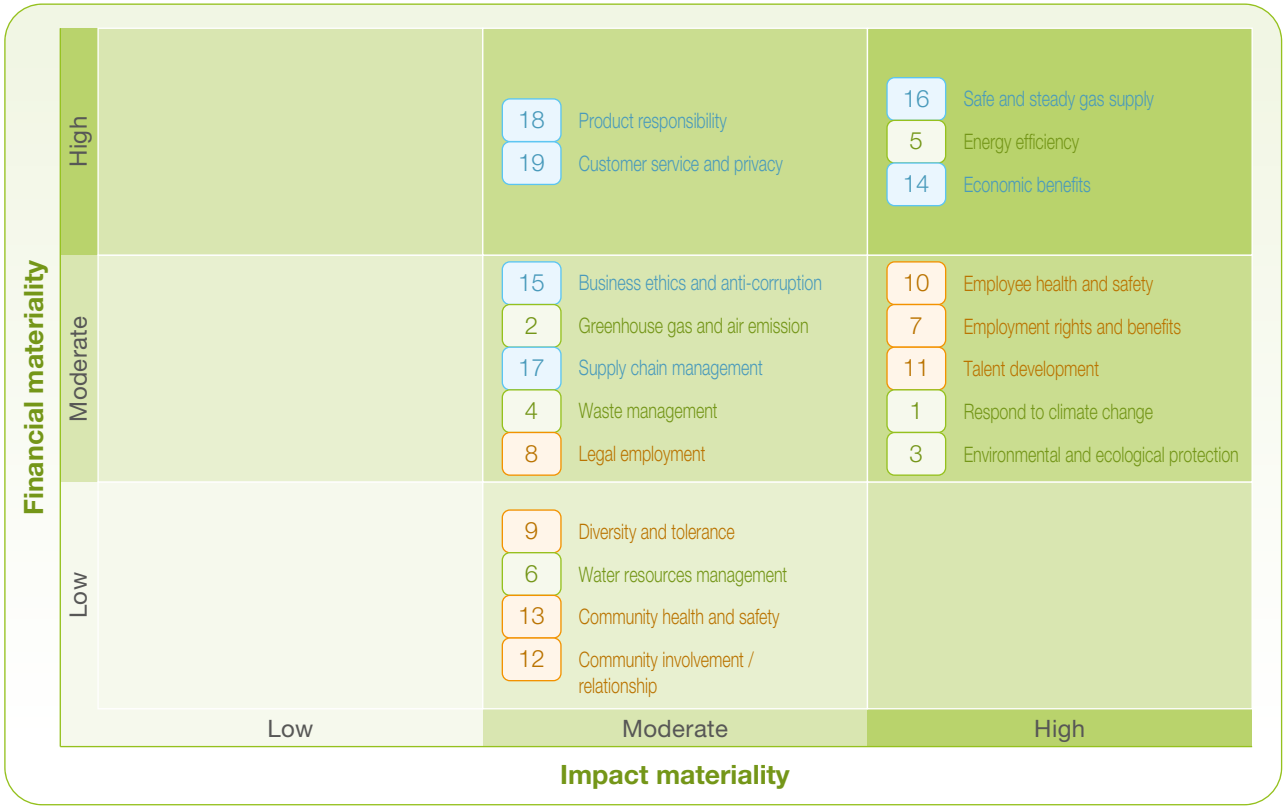


The material issues assessment of the Group employs the major steps as follows:

01 Identify sustainability issues	Identify 19 issues which are the most closely related to the Group's business and its impact, covering the three major areas, namely environment, society and operation.
02 Distribute survey questionnaire and data collection	For potential issues left after elimination, questionnaire survey will be conducted, grading and ranking system will be used to allow stakeholders to assess the materiality of different potential material issues.
03 Adjust matrix and analyse issues	For the two dimensions of "impact materiality" and "financial materiality", material issues matrix is formulated. Meanwhile, we will compare against our peers and combine with industry development trend to perform adjustment over the material issues.
04 Review material issues	To submit the material issues matrix after adjustment to the ESG Committee for review and confirmation, in order to develop the final material issues matrix.



COMMUNICATION WITH STAKEHOLDERS



The Group identifies issues in the upper-right quadrant as highly material. These issues possess both significant business and financial impacts and high stakeholder concern, forming the core pillars of our sustainability strategy. For these key areas, we will allocate resources and develop specific action plans and Key Performance Indicators (KPIs). Meanwhile, for issues of moderate materiality located in the middle of the matrix, we will maintain regular management and monitoring to ensure risks remain controllable. This assessment not only clarifies the key disclosures for the Year but also provides clear navigation for the Group in optimising resource allocation and achieving long-term value creation.

Subsequent sections of this report will focus on these core issues with detailed disclosures of management approaches, implementation measures, and annual performance, so as to address stakeholders' concerns towards the Group's sustainable development.



RESPOND TO CLIMATE CHANGE

Climate change is a global challenge and an issue that the Group is deeply concerned about. We actively respond to the national "dual carbon" goal and helps China reach "carbon peak" by 2030 and "carbon neutrality" by 2060.

Governance

The Group has established a multi-tiered sustainability management system spanning from the Board to functional departments within the gas group and smart energy group, ensuring effective oversight of climate-related risks and opportunities by the Board.

Board

- Takes ultimate responsibility for climate risk management as the highest governance body
- Oversees and advances climate-related matters, ensuring climate actions are aligned with the Group's operational strategy
- Approves assessments of material climate-related risks and opportunities and monitors the effectiveness of relevant management policies

ESG Committee

- Coordinates specific climate change matters, including assessing climate risks and opportunities, and guiding action plans for transition opportunities
- Holds regular meetings to report progress and provides climate-related decision recommendations to the Board

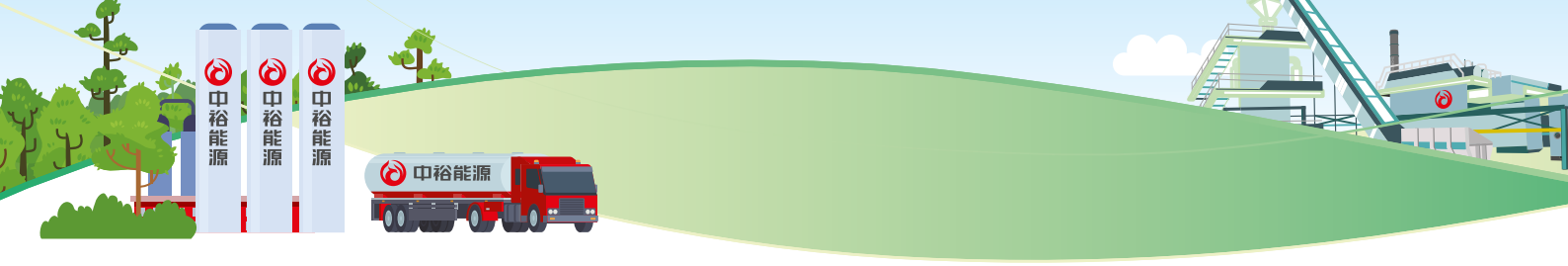
ESG Office

- Coordinates with cross-departmental efforts to collect and account for climate-related and greenhouse gases (GHG) emissions data
- Identifies specific physical and transition risks and quantifies their financial impacts
- Implements climate management measures and continuously tracks updates in regulatory requirements

Functional Departments

- Integrates climate considerations into business operations and implements specific ESG and emissions reduction initiatives

For detailed responsibilities and division of labor regarding ESG matters among the Board, ESG Committee, and ESG Working Group, please refer to page 10 of this Report.

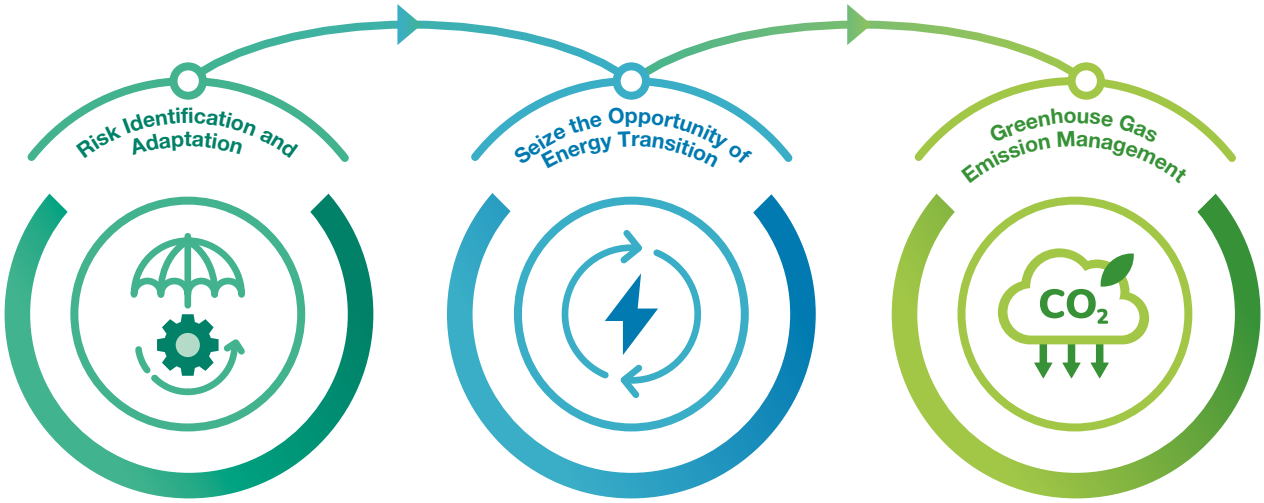


RESPOND TO CLIMATE CHANGE

The Group has formally integrated climate risks into its corporate risk management framework, which formed a standardized process through which the ESG Office, with the assistance of external professional consultants, identifies potential climate risks, comprehensively analyzes the probability of occurrence of risks for assessment and setting priority, and formulates strategies against key risks for monitoring on a continuous basis. To effectively identify and manage risks and opportunities arising from climate change, the Group has formally established the *Climate Change Policy* and incorporated "sustainable low-carbon development" into its core strategic planning. All employees are required to adhere to this policy, collectively promoting the achievement of our objectives and striving to provide users with low-carbon, intelligent, and systematic integrated energy services. Additionally, we actively implement various energy-saving and emission-reduction measures to minimize GHG and other air pollutant emissions during our operations.

The Group places high importance on the climate governance competency of its governance team, and provides regular climate change training sessions led by external professional institutions for Board members and senior management. Training sessions cover the latest regulatory requirements and industry-specific climate trends, ensuring decision-makers are equipped with adequate knowledge and capability to lead the Group in addressing climate challenges.

To effectively address the impacts of climate change on the Group's business development, the Group will focus on the following three core areas, with comprehensive consideration over short-term (within 3 years), medium-term (3-5 years) and long-term (beyond 5 years) impacts, and formulate and implement corresponding strategies and action plans.



RISK IDENTIFICATION AND ADAPTATION

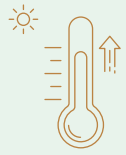
The Group recognizes that the physical and transition risks posed by climate change could significantly impact our daily operations, leading to service disruptions, infrastructure damage, and financial repercussions such as asset impairments and increased operating costs. To better align with regulatory requirements and enhance risk management transparency, the Group further refined its climate risk identification and assessment processes during the Year.

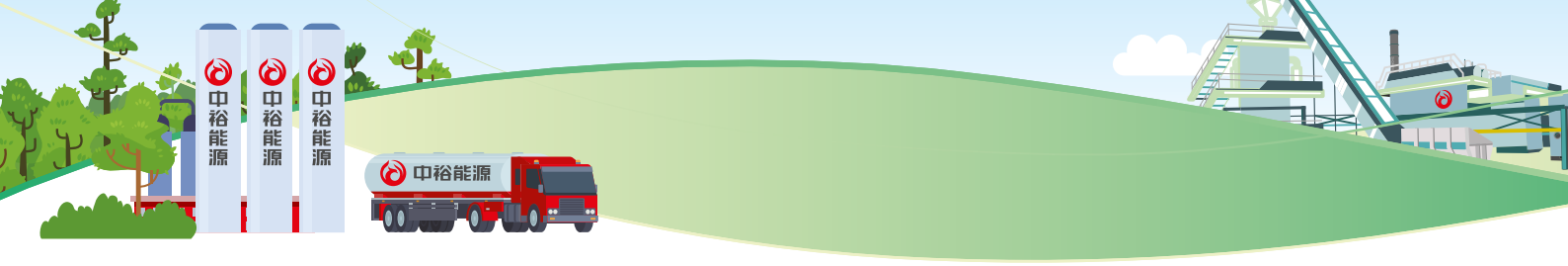


This process was led by the ESG Office with assistance from external professional consultants, and establishes a standardized framework for managing climate-related risks and opportunities. During the identification stage, we made reference to internationally recognized climate scenario parameters, the *Blue Book on Climate Change,* industry transition policies and industry benchmarking studies, complemented by the Group's historical records of natural hazard events. By analyzing these inputs, we conducted qualitative assessments and prioritized risks based on their likelihood of occurrence and potential impact on asset security, business continuity, and compliance. Material risks and opportunities were then identified using materiality criteria, with corresponding monitoring strategies developed. These findings were ultimately reviewed and confirmed by management and have been formally integrated into the Group's enterprise risk management framework.

During the Year, we introduced impact attribute tags to visually map the specific financial impact pathways and the effects of various risks across the Group's value chain, providing a more precise representation of identified critical impact points.

Identification and Response to Physical Climate Risks

Physical Risks	Potential Impacts and Financial Analysis	Timeframe	Response Measures
 Extreme Heat	Elevated workplace temperatures may increase employee health risks, leading to decreased productivity and higher healthcare costs. Own operations; Cost	Short to medium term	Improve the air-conditioning system, fans and ventilation facilities in the workplace to ensure the comfort and health of employees. Provide regular health checks for staff and introduce a shift system for high-temperature conditions.
	Increased risk of damage to gas storage and transportation facilities, photovoltaic and energy supply facilities may result in higher maintenance costs and losses from facility shutdowns. Own operations; Cost; Revenue	Medium to long term	Enhance facility safety measures and regularly inspect and maintain equipment.
	Seasonal variations in gas demand may result in fluctuations in sales, which affects market share and income stability. Downstream market; Revenue	Medium to long term	Adjust the gas supply strategy and increase investment in research and development to optimize the quality control of gas appliances and adapt to changes in demand.



RESPOND TO CLIMATE CHANGE

Physical Risks	Potential Impacts and Financial Analysis	Timeframe	Response Measures
Increased Frequency and Magnitude of Extreme Weather Events	Severe typhoons or rainstorms may cause direct damage to pipelines, storage facilities and transmission systems, resulting in interruption of gas supply. Frequent extreme weather events may weaken the structural durability of facilities and increase maintenance costs and insurance premium rate. Own operations; Cost ↗; Assets ↘	Medium to long term	Enhance the emergency preparedness of buildings and facilities, and regularly inspect and maintain the safety of facilities; improve asset insurance coverage to ensure adequate protection against asset damage and operational disruption losses caused by natural disasters.
	Extreme weather may affect employee commuting or work safety, leading to decreased productivity and potential safety production issues. Own operations; Revenue ↘	Medium to long term	Provide safe transportation recommendations and arrangements, appropriate protective equipment and emergency drill training to ensure employee safety and health.
Coastal Flood	Certain facilities of the Group's projects are located in coastal areas such as Zhoushan and Lianyungang. Flooding may cause direct damage to coastal gas facilities, resulting in interruption of gas supply and damage to internal facilities (such as control rooms). Own operations Cost ↗; Revenue ↘; Assets ↘	Short to medium term	Construct levees with movable waterproofing barriers in high-risk areas. Regularly inspect and maintain the waterproofing performance of gas facilities.
	Rising sea levels will increase the risk exposure of coastal infrastructure, potentially resulting in high maintenance and retrofitting costs. Own operations; Cost ↗	Medium to long term	Enhance the monitoring and early warning system to ensure emergency measures can be taken in a timely manner, so as to ensure the safe operation of gas facilities and supply networks.

In order to effectively address climate-induced disasters, Zhongyu Energy continued to optimize its emergency response system. It strived to improve its on-site emergency response capability and implement a 24-hour on-duty system. The Group puts emphasis on strengthening emergency drills and staff training, and specifies the damage and emergency response measures for different levels of pipeline network facilities, so as to ensure that emergency resources are always available and enhance the overall response to emergencies.

Case Study

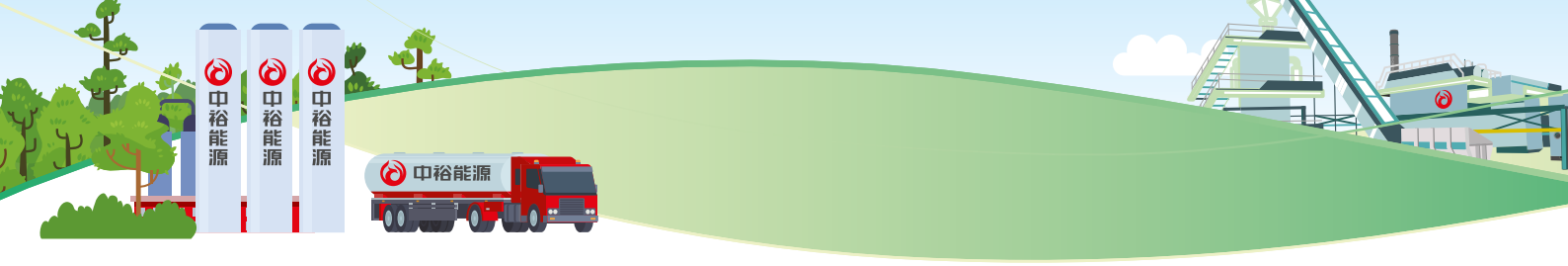
Enhancing Climate Resilience: High-pressure Pipeline Emergency Drills under Extreme Weather

To enhance pipeline network resilience and emergency response capabilities under severe weather conditions, Zhongyu Energy conducted specific high-pressure pipeline leak drills in Jiyuan, Henan Province during the Year.

This drill specifically simulated a climate disaster scenario where "pipeline pressure imbalance and leakage caused by soil instability due to extreme rainstorms" with an aim of testing the Group's practical response capabilities to climate-related disasters. During the exercise, the Group activated an "integrated air-ground" risk identification model, deploying drones to overcome visual blind spots in harsh environments and conducting ground surface inspection, so as to pinpoint the leakage spots rapidly. Meanwhile, the Group, together with government authorities, fire departments, medical services, and other stakeholders, established a cross-departmental emergency response system for extreme weather and successfully completed pressure reduction, leak sealing, and secondary risk control.

This live drill effectively validated the completeness and executability of our emergency protocols, enhancing the Group's rapid response and collaborative capabilities during high-pressure gas pipeline emergencies. Following the drill, the Group leveraged the experience gained to further refine its emergency plans by addressing identified gaps, strengthening team development and technology integration, and optimizing the emergency management system. These efforts laid a solid foundation for safeguarding urban gas safety and public security.





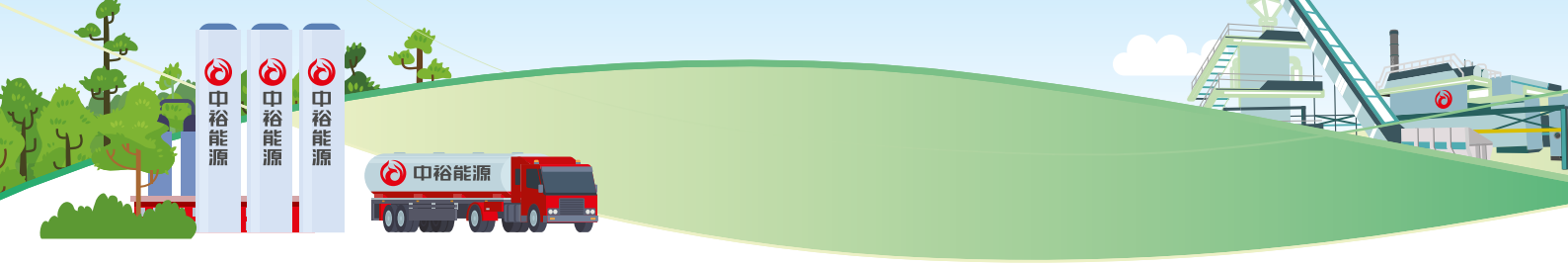
RESPOND TO CLIMATE CHANGE

Identify and response to transition climate risks

Transition Risks	Potential Impacts and Financial Analysis	Timeframe	Response Measures
Energy Transformation	As the country deepens its "dual-carbon" layout, demand for traditional coal and fossil fuels is likely to decline, while demand for renewable and low-carbon energy is likely to increase. As a transitional energy source, natural gas may be subject to fluctuations in market demand, which may affect turnover. At the same time, more intense market competition may drive up the operating costs of natural gas infrastructure and lead to the risk of a short-term decline in income. Own operations; Downstream market Cost ↗; Revenue ↘	Medium term	Provide products and services that meet consumer preferences in response to changes in market demand. Enhance the operational efficiency of the existing natural gas infrastructure and reduce operating costs.
	Against the backdrop of achieving carbon neutrality, the share of renewable energy in the energy mix is set to increase significantly with technological advances and policy support, which will lead to a gradual decrease in reliance on natural gas. Natural gas infrastructure may face impairment risk, and it may continue to lose market share to hydrogen and other zero-carbon energy sources. At the same time, the further spread of low-carbon energy sources may undermine the competitiveness of traditional natural gas business. Own operations; Revenue ↘; Assets ↘	Long term	Actively develop smart energy projects and renewable energy projects, such as hydrogen energy infrastructure, distributed energy, zero-carbon industrial parks, biomass power generation and other low-carbon solutions.



Transition Risks	Potential Impacts and Financial Analysis	Timeframe	Response Measures
Regulatory and Policy	Domestic environmental regulations targeting the natural gas industry may be further tightened, particularly in the area of methane emission control. For example, midstream and downstream enterprises may be required to fully implement a methane emission monitoring and reporting system, and to manage their emissions within limits. In addition, safety and efficiency standards for pipeline operations and gas storage facilities may be strengthened, which will increase compliance costs. Own operations Cost	Short to medium term	Pay close attention to changes in regulations and policies, actively deploy methane emission monitoring technology, and utilize IoT technology for real-time monitoring and control of pipeline networks and gas storage facilities to ensure compliance with relevant regulations and policy requirements, so as to avoid penalties and legal risks.
	Future regulations may require the natural gas industry to achieve zero methane emissions across the board and impose higher energy efficiency and environmental standards on midstream and downstream infrastructure. In addition, more stringent carbon tax policies may be introduced in China, which will have a direct impact on the operating costs of pipeline networks and gas storage facilities, and bring further financial pressure. Own operations Cost	Long term	Upgrade and retrofit old pipelines and storage facilities to increase their energy efficiency and reduce emissions. Invest more in emission reduction technologies, such as low-cost methane recovery technologies and intelligent pipeline systems.



RESPOND TO CLIMATE CHANGE

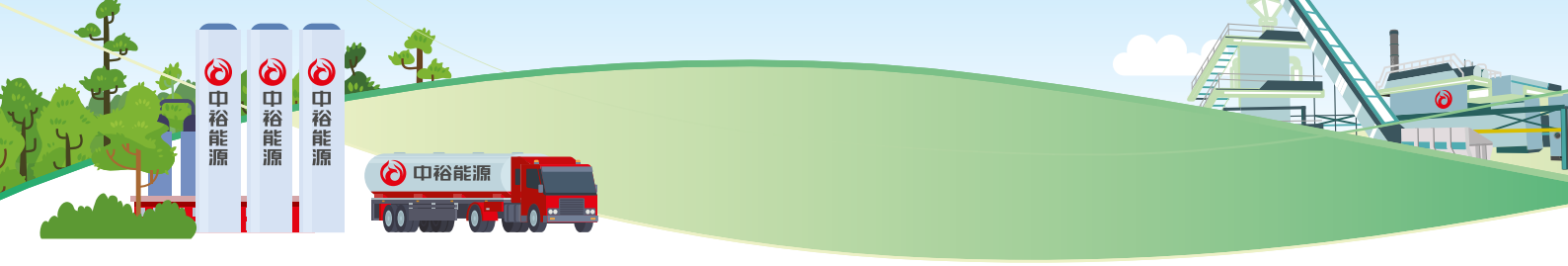
Transition Risks	Potential Impacts and Financial Analysis	Timeframe	Response Measures
Technology	With the rapid development of smart energy technologies, midstream and downstream natural gas businesses are facing the pressure of digital transformation. Failure to adopt advanced technologies (e.g., AI pipeline operation and management, intelligent gas storage system, etc.) in a timely manner may result in a decline in the Group's operational efficiency and disadvantages in market competition. In addition, the introduction of new technologies requires more capital investment, which may put pressure on short-term cash flow. Own operations; Cost ↗	Short to medium term	Accelerate the intelligent transformation of natural gas, cooperate with technology companies and research institutes to reduce the risk of independent research and development, and rapidly deploy advanced technologies.
	As hydrogen energy technology matures and becomes more widespread in the future, existing midstream and downstream natural gas infrastructure may need a complete revamp to cater to the transportation and storage needs of hydrogen. Failure to capitalize on the technology upgrade opportunity may result in idle infrastructure or a loss of market share. Own operations; Cost ↗	Long term	Launch a pilot hydrogen transportation project to test the adaptability of facilities and gain operational experience.
Investor Pressure	As investor requirements of ESG disclosure increase, midstream and downstream natural gas companies will need to disclose more climate-related data (e.g., methane emissions and reduction targets). Failure to meet investor requirements on transparency may have a negative impact on the financing capability and reputation of the Company. In addition, high-carbon businesses may face higher financing costs. Own operations; Cost ↗	Short to medium term	Proactively meet investor requirements on sustainability, enhance investor communications, and capitalize on transformation opportunities for green financing.



Seize the opportunity of energy transition

Although the Group has yet set a transition plan for the time being, we will closely monitor and proactively respond to energy transition trends. We will continue to identify and leverage any opportunities brought about by climate change, and actively develop other clean energy businesses while maintaining the stable operations of our natural gas business.

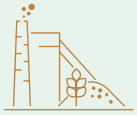
Transition Opportunities	Description	Timeframe	Current Progress
Comprehensive Utilization of Natural Gas	As a clean, safe and efficient energy source, natural gas is playing a significant role in the global low-carbon energy transition and has entered a golden period of development. The efficient and comprehensive utilization of natural gas is of great significance to the industrial and commercial sectors in reducing emissions and costs.	Medium to long term	Currently, Zhongyu Energy has formed an integrated service system of gas supply system and further expanded its service scope, which will assist more cities and regions in achieving energy transition in the future.
Development of Hydrogen Energy Industry	As a zero-carbon energy source, hydrogen will play a key role in transportation, industry and energy storage. Zhongyu Energy will focus on the development of several technologies, such as hydrogen-enriched natural gas, pipeline transportation of hydrogen, purification and utilization of grey hydrogen, and hydrogen production from electrolysis of water.	Medium to long term	The Group has entered into strategic cooperation agreements with various partners to jointly develop the hydrogen energy value chain across the Shanxi, Hebei, Shandong, and Henan regions. Our plans include the construction of nine integrated energy stations, the exploration of "hydrogen corridors" and the demonstration of fuel cell vehicles. These efforts aim to accelerate the adoption and commercialization of hydrogen energy in long-haul transportation and heavy-duty vehicle segments. Furthermore, the Group has secured cooperation agreements with several international energy leaders, further enhancing its technological expertise and market competitiveness.



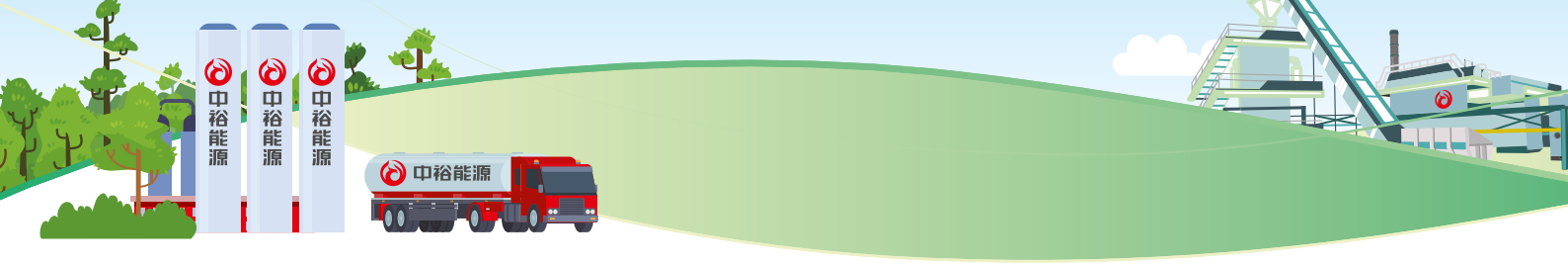
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Transition Opportunities	Description	Timeframe	Current Progress
Smart and Integrated Energy System	The smart energy management platform will become the core tool for enterprises and communities to save energy and reduce emissions. The Group will further promote the platform and enhance its functions in the future. Looking forward, distributed energy and the multi-energy complementary system will become an important mode of energy supply, and provide stable and efficient energy solutions by combining clean energy and energy storage technologies.	Medium to long term	Zhongyu Energy continues to enhance its energy transition collaboration with the government. Leveraging on intelligent information technology, it steadily expands distributed energy, regional energy supply, and new energy charging networks while continuously optimizing the smart energy management platform. In 2025, the Group's digital transformation has entered a new phase with the successful development of its privately deployed internal AI assistant, "Zhongyu Smart Engine". This AI technology was deeply integrated into the smart energy management platform, enabling "predictive maintenance" and "multi-energy coordinated scheduling" for photovoltaic, natural gas and energy storage systems. This effectively overcame the limitations in response speed and risk pre-judgement inherent in traditional operations and maintenance.
Zero-Carbon Industrial Park and Smart Microgrid	Zero-carbon industrial parks and clean and smart microgrids will become benchmarks for low-carbon transformation and will be promoted in more regions in the future.	Medium to long term	The Group has constructed zero-carbon industrial parks and clean and smart microgrid projects in various regions. It achieved energy self-sufficiency and zero-carbon emission through the integration of photovoltaic, energy storage and the smart energy management platform.



Transition Opportunities	Description	Timeframe	Current Progress
 Biomass Energy Supply	As an important component of renewable energy, biomass energy will play an important role in rural areas and the industrial sector in the future. It can reduce production costs for enterprises, facilitate the construction of zero-carbon factories and promote low-carbon transformation.	Medium to long term	The Group has launched biomass boiler projects in Puyang and Guannan, collaborating with research institutions including Tianjin University and the Chinese Academy of Sciences to address key technical challenges in gasification heating. This initiative aims to enhance equipment operational efficiency and environmental performance. To further elevate operational standards, we have introduced our proprietary AI model for comprehensive intelligent monitoring of equipment, enabling precise control over raw material management.

During the Year, Zhongyu Energy diversified its business through the in-depth integration of the smart and integrated energy system. It actively grasped the opportunities brought by climate change, and conducted thorough research in the areas of hydrogen energy, zero-carbon industrial parks, and biomass energy to achieve business diversification. In the future, the Group will continue to step up its efforts in technological innovation and market expansion, thereby contributing more to achieving the goals of carbon neutrality and energy transition.



Case Study

Biomass-Based Zero-Carbon Heating: Powering Green Transformation in Manufacturing

Along with the progressive development of the national carbon market, the low-carbon transition of industrial energy consumption has transformed from a policy directive into a practical need for enterprises seeking cost reduction and efficiency enhancement. Actively seizing this climate transition opportunity, the Group leveraged its core biomass gasification technology to launch two biomass energy supply projects in Guannan, Jiangsu and Huixian, Henan, serving clients from tire manufacturing and building materials production respectively. These projects demonstrated the extensive applicability of zero-carbon biomass energy supply across diverse industrial scenarios.

In terms of business model, the Group adopted a one-stop "investment + solutions + project operation" approach. The Group was responsible for capital investment, technical solution design, and long-term operational management, effectively reducing clients' capital expenditures and operational burdens, enabling them to focus on their core businesses. This model lowered the threshold for industrial enterprises to adopt low-carbon energy and demonstrated the Group's practical commitment to driving climate transition.

From technological perspective, the Group adopted its advanced biomass gasification coupling technology to meet the clients' stringent requirements for heat source stability:

- High-Precision Control: Achieved precise steam supply with pressure fluctuations magnitude not exceeding 0.1MPa and temperature deviations precisely controlled within ±2°C, ensuring process quality.
- Flexibility and Compactness: Adopted a modular stacked design with core equipment integrated within an area of just 600-700 square meter (approximately half of the area from traditional use) and embedded natural gas boilers as dual-source backup, enabling seamless switching between "biomass as primary, natural gas as backup" to guarantee zero production interruptions.
- Smart Operations and Maintenance: Introduced an AI-powered intelligent operation system to monitor real-time data and adjust fuel input dynamically. This enabled the gasifiers to operate in "hot standby" mode during low energy consumption periods, boosting the system responsiveness and operational efficiency.

In terms of environmental and economic benefits, these two projects collectively reduced over 50,000 tons of carbon dioxide emissions annually while delivering substantial energy cost savings for customers, realizing synergistic development of low-carbon transformation, and cost reduction and efficiency increase. Looking ahead, the Group will continue to advance the deep integration of biomass energy with multiple energy technologies including photovoltaics, wind power, heat pumps, energy storage, and waste heat recovery, building a multi-energy synergistic supply system. This will support the establishment of zero-carbon factories and zero-carbon industrial parks, and hence continue to generate sustainable energy value for corporate clients and urban low-carbon transformation.



Case Study

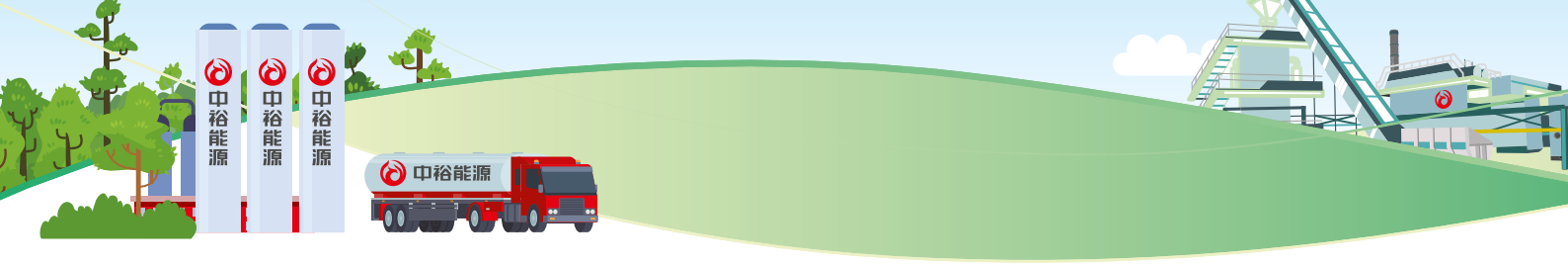
Zhongyu Smart Engine(中裕智擎) AI Platform Drives Efficient Biomass Energy Operations

As the energy transition deepens, mere equipment stacking can no longer satisfy the higher demands for energy efficiency and stability in modern industry. Zhongyu Energy's proprietary AI computing platform "Zhongyu Smart Engine" has now been deeply integrated into the Group's biomass energy business. Through digital means, it reshapes energy production and management processes, and successfully establishes a benchmark for intelligent "AI + Biomass Energy" operations.

- Smart Operations and Maintenance: With sensors installed on gasifiers, AI is able to give prior warning on system failures 72 hours in advance, reducing maintenance costs and preventing unplanned system shutdowns that disrupt production.
- Precision Dispatch: Through AI analysis on photovoltaic output, biomass gasification efficiency, and user consumption patterns, loads can be adjusted in a dynamic manner.
- Carbon Asset Management: Establishing a digital carbon accounting platform which enables real-time tracking of project emissions reduction, assisting enterprises in participating in carbon trading and transforming carbon reduction into tangible revenue.

By ensuring safety through intelligent operations and maintenance, enhancing efficiency with precision dispatch, and creating value through carbon management, the Group will offer our industrial clients a future energy blueprint that is highly efficient and low-carbon.





RESPOND TO CLIMATE CHANGE

Current Climate-Related Financial Impacts

The Group is committed to integrating climate change factors into financial planning and strategic decision-making. This year, we identified and quantified the actual impact of climate-related risks (physical and transition) and opportunities on the Group's financial position. The amounts of climate-related financial impacts disclosed in the table below have not presented as separate items in the Group's annual financial statements. The relevant amounts have been consolidated in accordance with applicable accounting standards and included in the total amounts of the corresponding items under "Affected Financial Statement Items" in the table above.

Category	Description of Current Financial Impact	Unit	Affected Amount/ Ratio	Affected Financial Statement Items
Physical Risk	Facility repair costs caused by extreme weathers such as strong winds	RMB('000)	66	Selling expenses, administrative expenses, production costs, fixed assets, non-operating expenses
Physical Risk	Total property insurance premiums paid for mitigating the potential major asset losses caused by extreme weather	RMB('000)	10,490	Selling expenses, administrative expenses, production costs
Physical Risk	Increased premium costs compared to previous years due to climate risk and coverage adjustments	RMB('000)	170	Selling expenses, administrative expenses, production costs
Transition Risk	Investment in detection equipment and technical upgrades to meet stricter methane emission control requirements	RMB('000)	1,630	Fixed assets, administrative expenses, production costs
Transition Risk	Capital investment for replacing vehicles with new energy alternatives	RMB('000)	60	Fixed assets
Transition Opportunities	Proportion of low-carbon smart energy business in total revenue	Percentage (%)	5.4	Income



During 11-13 April 2025, Hebei and Henan regions where the Group operates were struck by extreme strong winds, with wind forces reaching Level 7 in certain areas. These extreme winds caused a certain degree of impact on the outdoor assets of three of the Group's subsidiaries. The primary damage was concentrated in the following two categories:

- Damage to facility structures: Strong winds caused deformation or damage to canopies, station building doors, color-coated steel roofs of storage warehouses, and station fencing at some gas stations.

- Damage to pipeline network facilities: Overhead gas pipelines in some rural areas were damaged due to collapsed walls or detached supports caused by the strong winds.

All damaged facilities were promptly repaired and insurance claims processed without any prolonged operational disruptions. Additionally, as influenced by multiple factors including the insurance market's repricing of climate risks and adjustments to coverage scope, the Group's property insurance premium rate increased, resulting in RMB170,000 in additional premium expenditures. However, these investments effectively safeguarded the continuity and safety of gas supply, demonstrating the Group's operational resilience in the face of climate hazards.

Repair costs and additional insurance expenses (physical risks) incurred due to extreme weather during the Year, along with capital expenditures for technical upgrades and vehicle purchases (transition risks) to address methane control and green transportation transition, have all been incorporated into annual budget management. These expenditures represent a relatively low proportion of the Group's overall operating costs and capital expenditures, and have not materially impacted the Group's cash flow or overall operating performance. Meanwhile, the revenue contribution from low-carbon smart energy operations (transition opportunities) reflects the effectiveness of the Group's business structure optimization. Growth in this segment did not only partially offset transformation costs but also generated new revenue growth points, enhancing the Group's long-term financial resilience.

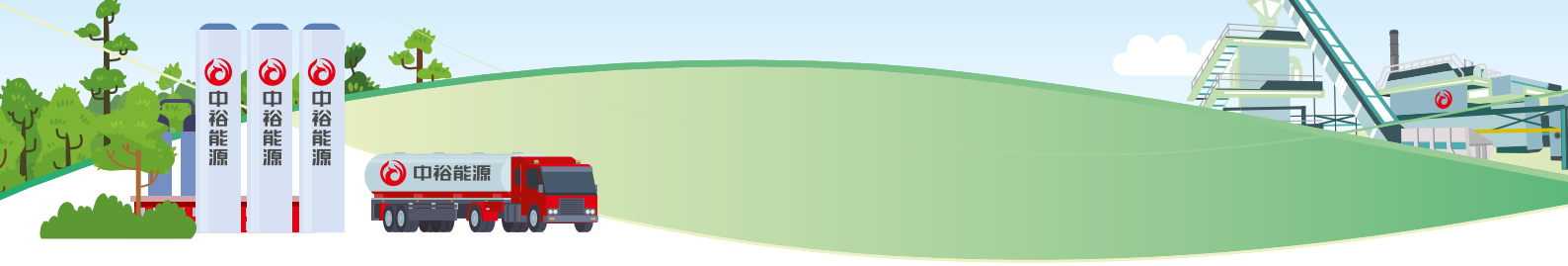
The Group has identified climate-related risks and there will be no major risks leading to material adjustments to the carrying amounts of assets and liabilities in the financial statements for the next reporting period.

GREENHOUSE GAS EMISSION MANAGEMENT

The Group continuously optimizes its energy structure and operational efficiency, committed to reducing its own carbon footprint to achieve green and sustainable development goals. At the operational level, our total emissions from Scope 1 and Scope 2 amounted to 27,439.6 tonnes of CO_2 equivalent, representing a 3% decrease compared to the same period of previous year. This demonstrates the Group's significant achievements in controlling its operational carbon footprint.

To comprehensively assess climate risks and enhance disclosure transparency, we conducted a major upgrade to our greenhouse gas accounting system during the Year which has substantially expanded the reporting boundary of Scope 3 (other indirect emissions). Beyond existing categories, we have added and refined accounting for various key emission categories, achieving a comprehensive coverage of carbon footprints across the upstream and downstream value chain.

Due to the significant expansion of the accounting boundary, especially the inclusion of Category 11, "Use of Sold Products" which covers emissions generated from customer-end natural gas usage, the total greenhouse gas emissions of the Year exhibited an increase over previous years. However, such increase solely reflects the improvement in our carbon data coverage and enhanced disclosure scope, and does not represent a decline in operational efficiency.



RESPOND TO CLIMATE CHANGE

Greenhouse Gas Emissions	Unit	2025
Scope 1 – Direct GHG emission	tonne of CO_2 equivalent	**14,544.7**
Scope 2 – Energy indirect GHG emission	tonne of CO_2 equivalent	**12,894.9**
Total operational emissions (Scope 1+2)	tonne of CO_2 equivalent	**27,439.6**
Operational emissions intensity (in terms of the number of employees)	tonne of CO_2 equivalent/person	**5.4**
Operational emissions intensity (in terms of turnover)	tonne of CO_2 equivalent/HK$'000	**0.002**
Scope 3 – Other indirect GHG emission	tonne of CO_2 equivalent	**8,911,830.5**
Category 1: Purchased goods and services	tonne of CO_2 equivalent	**1,946,467.7**
Category 2: Capital goods	tonne of CO_2 equivalent	**3,857.1**
Category 3: Fuel and energy-related activities	tonne of CO_2 equivalent	**5,088.5**
Category 4: Upstream transportation and distribution	tonne of CO_2 equivalent	**6.8**
Category 5: Operational waste	tonne of CO_2 equivalent	**81.9**
Category 6: Business travel	tonne of CO_2 equivalent	**196.3**
Category 7: Employee commuting	tonne of CO_2 equivalent	**705.8**
Category 11: Use of sold products	tonne of CO_2 equivalent	**6,955,426.3**
Total GHG emissions (Scope 1+2+3)	tonne of CO_2 equivalent	**8,939,270.1**
Fugitive methane emissions*	tonne	**4,751.1**

*Notes: Fugitive methane emissions of the Year were estimated based on the default emission factors from the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of China's Petroleum and Natural Gas Production Enterprises* and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)*. Given the absence of a globally unified standard for measuring fugitive methane emissions, the estimated fugitive methane emissions for the Year are currently excluded from the Group's total greenhouse gas emissions. Following the year-on-year increase in the total length of the Group's pipelines, the fugitive methane emissions have risen accordingly. This data is based on estimates rather than project-level measurements and is provided for reference only.

Looking ahead, Zhongyu Energy will actively explore setting long-term decarbonization targets based on more comprehensive GHG inventory data. We will continue collaborating with value chain partners, not only striving to reduce our own operational emissions but also exploring innovative solutions such as hydrogen energy and distributed power generation. This will empower downstream customers to achieve low-carbon transformation, jointly building a sustainable zero-carbon future.

METHANE EMISSION MANAGEMENT

Methane emissions reduction is a critical component of global greenhouse gas mitigation and represents the most direct and effective way to slow climate warming in the short term. However, methane emission sources in the natural gas industry are complex and diverse, with certain sources exhibiting high levels of uncertainty. Numerous challenges remain, including limitations in the precise identification of key emission sources, as well as emission monitoring and accounting.

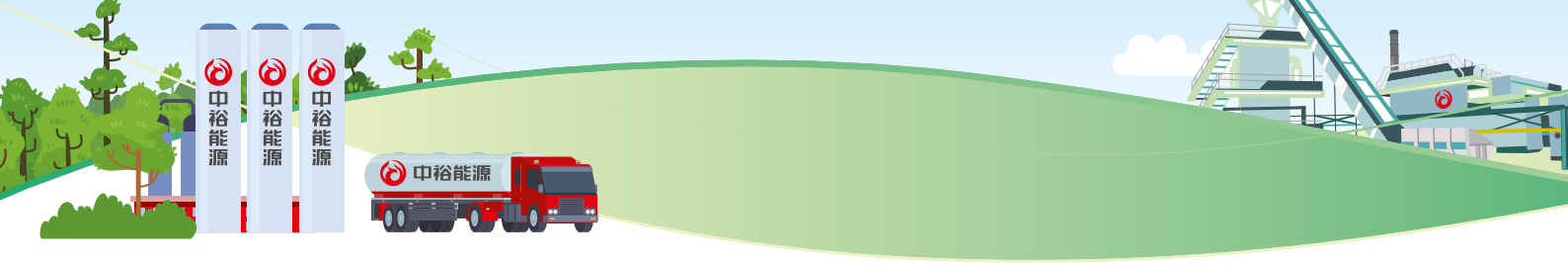
During the Year, the Group continued upgrading methane emission monitoring technologies, striving to establish an accurate and reliable fugitive emission data system. This forms the basis for setting reduction targets and deploying control measures. Looking ahead, we will persist in dual innovation through technology and management, actively adopting industry best practices and cutting-edge emission reduction technologies. Meanwhile, we will leverage on improving systemic governance and utilize market mechanisms, comprehensively strengthening the identification, monitoring, and management of methane emissions.

Cloud-Based Laser Natural Gas Leakage Monitoring System

At present, all of the Group's gas stations adopt a cloud-based laser natural gas monitoring system combining Tunable Diode Laser Absorption Spectroscopy (TDLAS) technology and IoT technology to provide real-time full-coverage leakage monitoring for equipment and pipelines in gas stations. The system is to achieve a high-performance and high-reliability leakage monitoring system for gas stations, which can be operated independently and can be integrated with the station control system, forming a complete station safety operation system plan. The methane monitoring equipment of the system can accurately monitor the natural gas leakage information in the air at the large-scale monitoring station around the clock, quickly identify and lock the location of the leakage point and immediately trigger the alarm procedures, guide the operators to quickly deal with the natural gas leakage problem, and start the alarm video recording throughout the whole process until the leakage point is handled by the experimental personnel, so as to effectively prevent the safety risks caused by natural gas leakage.



Cloud-Based Laser Natural Gas Leakage Monitoring System



RESPOND TO CLIMATE CHANGE

Vehicle-Mounted Laser Natural Gas Leakage Detection System

A ppb-level (parts per billion) vehicle-mounted laser natural gas leakage detection system has been adopted by the Group to achieve no-dead-angle and full-coverage leakage detection of natural gas pipes. The system uses the vehicle as the carrier, integrates with the high-precision methane/ethane mid-infrared laser spectrum detector, Beidou precise positioning module and ultrasonic anemometer, and adopts the atmospheric dispersion transport model to deduce the scope of the leakage source location, in order to quickly and precisely identify the leakage location and thus mitigate the risk of leakage of the natural gas pipeline network.



Vehicle-Mounted Laser Natural Gas Leakage Detection System

Unmanned Natural Gas Leakage Patrolling Detection System

This system utilizes drones equipped with high-definition cameras and laser methane remote sensors, leveraging advanced TDLAS technology to rapidly and accurately detect natural gas leaks. It captures high-resolution images of abnormal alarm points in real time, rapidly identifies and pinpoints the leak location, and triggers an alarm procedure. By transmitting video data in real time via a 4G network, the system enables remote monitoring, effectively reducing the risk of natural gas leaks while enhancing inspection efficiency and safety.



Unmanned Natural Gas Leakage Patrolling Detection System

"Pipeline-network Sentinel" Monitoring System

The "Pipeline-network Sentinel" monitoring system is adopted to realise 24-hour real-time leakage monitoring of pipeline networks. The system combines the characteristics of the gas pipeline network to select key areas for monitoring and early warning, and selects different types of detection equipment for installation and use, taking into account the actual conditions of the on-site terrain and pipeline network facilities. As such, the system can monitor the risks of, among others, natural gas pipeline leakage and third-party construction damage in real time, and further enhance the grade level of pipeline safety and protection.



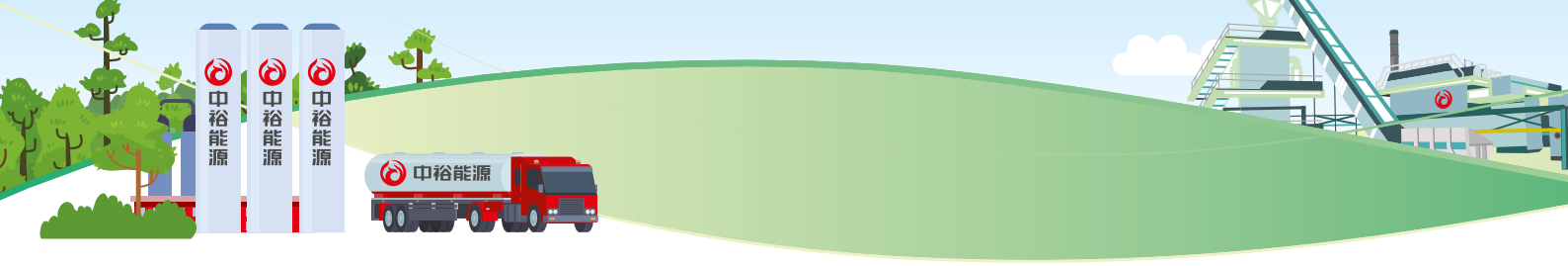
"Pipeline-network Sentinel" Monitoring System

LOOKING AHEAD

Facing the challenges and opportunities brought by climate change, we recognize that quantifying the financial impacts by climate change and conducting scenario analysis requires highly specialized data modeling support. Given that climate-related data collection systems are still being refined and assessing the specific quantitative effects of projected climate risks on financial statements involves significant measurement uncertainty, the Group has adopted a phased disclosure strategy.

We have engaged a third-party professional advisory firm to establish a climate scenario analysis framework tailored to the Group's business characteristics and to assist in developing a climate risk financial model. In future reporting cycles, we plan to prioritize the quantitative assessment of the physical climate resilience of our business model across different climate scenarios, including identifying the assets vulnerable to physical risks and quantifying their percentage and values. Once relevant transition risk financial models and databases become mature, we will further disclose quantitative information on the financial impacts associated with transition risks.

The Group has not yet implemented an internal carbon pricing mechanism, nor are climate-related considerations incorporated into current remuneration policies. We will continue to monitor market practices and regularly review the applicability of relevant policies through the Board to ensure alignment between the Group's climate governance framework and long-term sustainability objectives.



RESPOND TO CLIMATE CHANGE

The Group will actively respond to the latest climate change disclosure requirements. It will further improve its internal data collection and management processes, and progressively expand the scope and depth of disclosures to ensure that more transparent, comprehensive and accurate information will be provided to shareholders and stakeholders.

At the same time, the Group will further clarify and strengthen the oversight responsibilities of management in addressing climate change. It will convene regular meetings on climate change for the discussion and evaluation of the implementation of the Group's climate change strategy, in order to ensure that climate change issues become a core component of the Group's business operations and long- term development plan. As the Group is at the critical juncture of energy transition and business structure optimization, there exists difference in the emission characteristics between the newly added smart energy business and the traditional one. We are currently conducting internal assessment with the purpose of formulating our long-term climate targets that are in line with the national "dual carbon" strategy while remaining forward-looking. Although the Group has not yet set quantitative emission reduction targets, we have observed a decline in total operational emissions for three consecutive years due to our proactive and effective reduction measures, achieving steady progress in decarbonization.



ENVIRONMENTAL PROTECTION

Zhongyu Energy always adheres to the philosophy of low-carbon and green development, actively undertakes environmental responsibilities, conforms to the trend of energy transformation, and contributes to realising the national "carbon neutrality" goal.

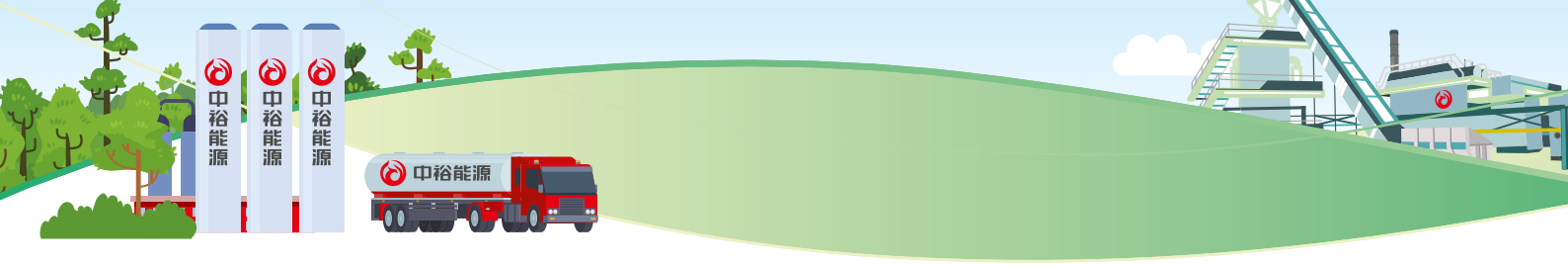
ENVIRONMENTAL MANAGEMENT POLICY

In order to reduce the impact of its daily operations on the environment, Zhongyu Energy strictly abides by the environmental laws and regulations of each operating region, such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Waste Disposal Ordinance,* the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution* and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, as well as the *Environmental Policy* of the Group, and are committed to continuously improving the environmental and resource management system.

During the Year, the Group strictly complied with relevant environmental protection laws and regulations, and there were no cases of non-compliance in respect of the environment.

Zhongyu Energy recognises that its business operations may make certain potential impacts on the surrounding environment and natural resources. As one of the leading national energy service companies, the Group strives to promote energy transition and enhance its ability to supply clean energy, thereby helping its end users to reduce air pollution caused by the use of fuels with high greenhouse gas emission. The Group adheres to the principle of sustainable development and strictly implement its internal *Environmental Policy*, and sets ecology protection and clean energy development as its core work direction. The Group actively promotes the energy conservation and emission reduction programs through enhancing its natural gas management and cooperating with relevant government departments, and is committed to minimise the impact of its business operations on air pollution under the framework of carbon neutrality target. In the future, the Group will continue to develop clean and efficient smart energy and distributed energy projects to further improve comprehensive energy utilization, with a view to contribute to the optimization of the energy structure and the achievement of emission reduction targets.

At the same time, the Group is committed to adhering to scientific site-selection principles in pipeline construction to minimise disturbance to ecologically sensitive areas. Prior to the commencement of any project, the Group strictly follows the statutory Environmental Impact Assessment (EIA) procedures to comprehensively predict, analyse and assess potential environmental impacts, and to formulate corresponding prevention and mitigation measures. Throughout the design, construction and operational phases, the Group implements pollution prevention, control and monitoring in strict accordance with internationally recognised environmental protection standards, thereby minimising impacts on natural ecosystems and habitats and safeguarding biodiversity and the sustainable use of natural resources.



ENVIRONMENTAL PROTECTION

AIR EMISSION MANAGEMENT

The main sources of exhaust emissions of the Group include nitrogen oxides, sulphur oxides and particulate matter generated from the use of natural gas transport vehicles, business vehicles, and the combustion of fossil fuel in backup generator facilities and boilers. We are highly aware of the carbon footprint during our operation, and strive to adopt effective measures to reduce exhaust emission and minimize the environmental impact of our business.

Metrics*	Unit	2025
Nitrogen oxides NOx	kg	**9,795.2**
Particulate matter PM	kg	**394.8**
Sulphur oxides SOx	kg	**49.1**

*Note: Air emission data were estimated with reference to *Technical Guide for Air Pollutant Emission Inventory for Road Vehicles* and *How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs* by the Stock Exchange, and according to the travel distance of the Group's vehicles.

With the continued growth of its natural gas business, the Group has placed increasing focus on carbon emissions and air pollution arising from transportation. The Group plans to progressively replace conventional fuel-powered vehicles used by its energy trading subsidiaries with LNG (liquefied natural gas) tanker trucks, enabling more efficient and lower-carbon transportation of natural gas. At the same time, to promote the transition to cleaner fuels for its own fleet, the Group has established a clear policy requiring all newly procured commercial and repair vehicles to be electric, thereby advancing a comprehensive low-carbon transition in vehicle operations.

In addition, the Group actively promotes the concept of green transportation and encourages employees to adopt low-carbon travel methods such as shared bicycles, electric vehicles and public transportation, and internally advocates and implements relevant low-carbon travel policies to create a green travel culture. Natural gas is used as the fuel for the staff canteen equipment (such as generators and boilers) at the Group's facilities, which can effectively enhance the energy use efficiency and reduce air emissions from stationary combustion. Looking ahead, the Group will continue to increase its investment in green and low-carbon transportation, and explore more innovative emission reduction technologies and solutions, to support the achievement of its sustainable development goals.





LNG tank vehicles of Zhongyu energy trading companies



WASTE MANAGEMENT

During the Year, the Group generated a total of 223.2 tonnes of waste, including 2.2 tonnes of hazardous waste (such as waste batteries and waste oil) and 221.0 tonnes of non-hazardous waste (including office waste and general waste).

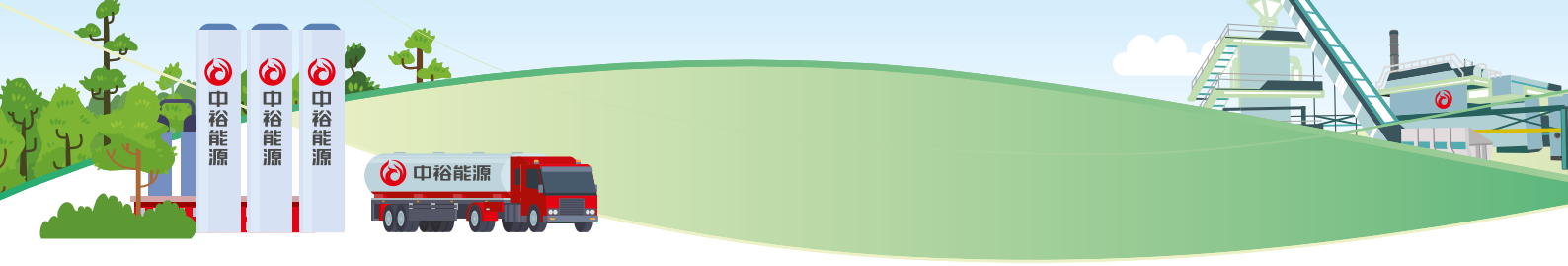
Types of wastes	Disposal methods	Unit	2025
Non-hazardous waste	Classified for recycling and processed by municipalities	Tonne	**221.0**
Hazardous waste	Periodically collected and processed by qualified contractors	Tonne	**2.2**

Zhongyu Energy has implemented several waste control and resource utilization measures, carried out waste classification management and recycled all resources as much as possible, thereby reducing environmental pollution. Specific measures include:

- Adopt the "4R" principle to manage wastes by "reducing", "reusing", "recovering" and "recycling"
- Promote a waste management system based on the principle of reducing waste at source, and ensure that relevant staff understands the disposal requirements of hazardous and non-hazardous waste
- Green procurement – understand the amount of materials consumed, avoid over-purchasing, and select materials/products with recycled content
- Set up waste separation and recycling facilities to handle all recyclable materials separately, such as metals, plastics, toner cartridges, batteries, etc.
- Set up recycling corners to promote and publicise various environmental protection activities
- Appoint specialists to regularly examine the situation of waste disposal and recycling, and review waste reduction targets and measures

To protect natural resources and reduce pollution, the Group has also implemented a series of measures to reduce paper waste in offices. These include separating single-sided used paper and new paper into different trays on photocopiers, encouraging employees to print or photocopy on both sides in black and white, and procuring paper containing recycled content for use in printing communications, brochures, leaflets, business cards, envelopes and letters.

The Group also encourages employees to transmit documents electronically to reduce unnecessary printing. Collection boxes for single-sided paper and waste paper are placed next to printers to promote paper reuse and recycling.



ENERGY USE MANAGEMENT

The Group strives to continuously optimise its energy usage structure and energy efficiency, and strictly abide to its internally formulated *Environmental Policy*, in order to achieve the goal of clean, efficient and sustainable energy management.

In the Year, the total consumption of the Group is 288,680.3 GJ, mainly arising from the diesel, gasoline, LNG, LPG and purchased electricity used during the operation of offices, gas stations, business vehicles, gas-filling facilities, etc., and during the construction of pipelines.

Indicator	Unit	2025
Purchased electricity	MWh	**24,299.6**
Gasoline	Tonne	**2,376.7**
Diesel	Tonne	**95.1**
LNG	Cubic meter	**2,434,635.0**
LPG	Tonne	**0.0**
Total energy consumption*	GJ	**288,680.3**
Energy consumption intensity (in terms of the number of employees)	GJ/employee	**56.8**
Energy consumption intensity (in terms of turnover)	GJ/HK$'000	**0.02**

*Note: Total energy consumption includes purchased electricity, gasoline, diesel, LNG and LPG consumption. The unit conversion factors from *China Energy Statistical Yearbook 2025* were adopted and the unit of energy was uniformly changed to GJ.

Case Study

Low Carbon Management Practices in Zhongyu Energy's Smart Buildings

Zhongyu Energy's Beijing headquarters office building and Luohe Zhongyu Gas's office building have implemented innovative energy management technologies to carry out lightweight, low-carbon retrofitting of buildings. These measures include integrated connectivity of facilities and equipment, energy consumption modelling, the establishment of reasonable energy-use benchmarks, and the development of an early warning mechanism. Also, the Group promotes green office practices, including the establishment of green recycling stations and shared office supply areas. Notably, the Beijing Headquarters office building has adopted a Gas Heat Pump (GHP) air-conditioning system, an intelligent air-conditioning management system, and a distributed photovoltaic (PV) system, providing an integrated energy solution for cooling, heating and clean electricity supply. With the smart air conditioning management system, the approaches of IoT smart gateway, data collection gateway and multi-function sensor, as well as the multiple wireless protocols DTU are adopted to achieve the precise optimization of air conditioning operation and energy saving efficiency enhancement of 15%. A distributed photovoltaic system was deployed on the roof of the building, with an installed capacity of 412kW, equipped with 769 pieces of 535W photovoltaic modules, and connected to the microgrid of industrial park, which can supply up to 454,000kWh of clean electricity annually and reduce carbon dioxide emissions by 323.2 tonnes/year, thus effectively increasing the energy self-sufficiency rate and reducing the reliance on the external power grid.

These initiatives have effectively lowered the operating costs and carbon emissions of the buildings, setting an example of sustainable development for the industry, and have been awarded the "Hong Kong Green and Sustainability Contribution Awards 2024" and the "Gold Seal for Contribution to Sustainable Property/Facility – Promote Environmental Protection".



Zhongyu actively promotes green and energy-saving office and operation models to meet the needs of sustainable development of enterprises for energy conservation, carbon reduction and efficient operation and maintenance. In order to reduce energy waste, the Group has clarified the responsibilities of middle management personnel of each department in terms of electricity saving. In addition, the Group has also adopted various effective energy conservation measures to minimize energy consumption during office operation. These measures include but are not limited to:

Increase the utilisation rate of new energy vehicles

- Newly purchased vehicles must be new energy vehicles
- New energy vehicles will gradually replace fuel vehicles
- New energy vehicle will be "rented" instead of "purchased"
- Using two-wheel electric vehicles for pipeline patrol and inspection

Energy Saving and Consumption Reduction Measures

- Upgrade the electrical circuit facilities in the office area to achieve automatic power cut function
- Installation of inverter control facilities for central air-conditioning
- Install reactive power compensation cabinets to reduce grid loss
- Utilize the price difference between peak and off-peak electricity rates at gas filling stations to start up equipment

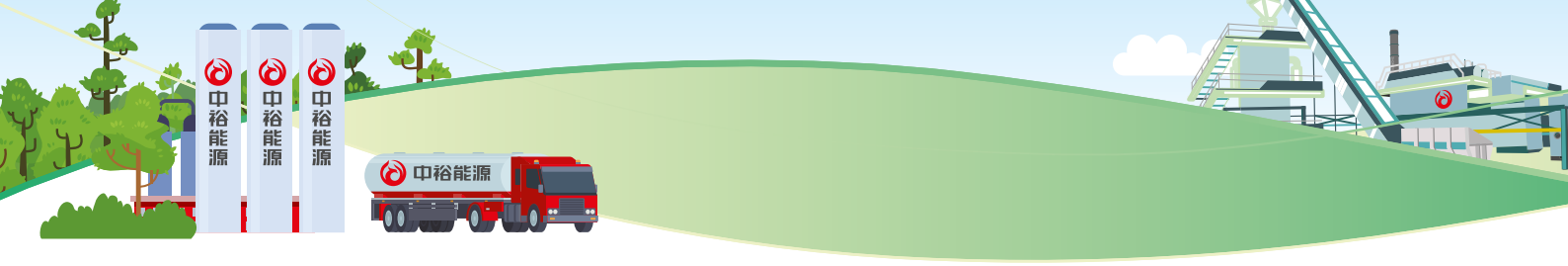
Low-carbon office mode

- Paperless office, recycling and reuse of waste single-sided paper
- Renovation and reuse of old furniture
- Set up shared office stationery areas and reduce the use of disposable items
- Turn off the power when leaving the office
- Adopt natural ventilation for air exchange as appropriate, and set the temperature of air conditioning at no lower than 26°C when manual cooling is required

Office lighting

- Adopt energy-saving lighting fixtures with electricity saving and high efficiency
- LED lighting will gradually replace traditional lighting
- Switch off unnecessary basic lighting during lunch break

In the future, Zhongyu Energy will continue to review its efforts in saving electricity in its operating facilities and offices and strengthen its energy management to improve the Group's energy use efficiency and contribute to sustainable development.



WATER RESOURCES USE MANAGEMENT

Zhongyu Energy values the use of water resources and advocates water conservation, while strictly abides the internally formulated *Environmental Policy*.

The Group aims to reduce per capita water consumption intensity continuously by adopting various water conservation technologies, such as the installation of water-saving faucets, water-saving toilet systems, and the optimization of operational efficiency of water facilities, with a view to enhance the level of water management and minimize the wastage of water resources. In addition, the Group displays water-saving slogans in various operation sites, and provides employee education to encourage responsible water use, thereby improving management of water resources in various operation sites. Such measures are helpful to improve employees' awareness of environmental protection, thereby promoting the universality and promotion of environmental protection concept.

In the Year, the total water consumption of the Group was approximately 99,208.8 cubic meters, which was mainly for municipal water supply, and no issues was encountered for obtaining suitable water sources.

Indicator	Unit	**2025**	2024	2023
Total water consumption	Cubic meter	**99,208.8**	133,159.1	184,277.8
Water consumption intensity	Cubic meter/person	**19.5**	26.2	36.2

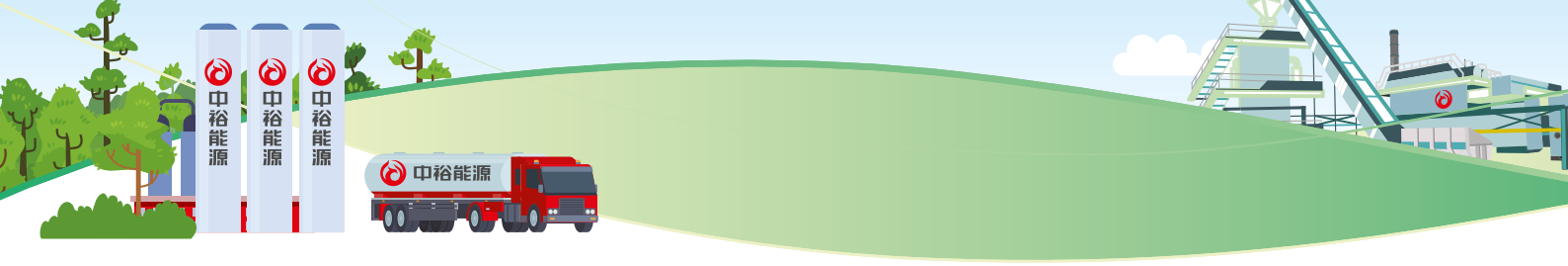
Looking ahead, the Group will continue to reinforce the management of water resources, explore the application of more innovative water conservation technologies and incorporate the concept of water conservation into its daily operations and management.



ENVIRONMENTAL TARGETS

The Group regularly reviews the progress of ESG targets on an annual basis and provides guidance for various departments to promote the implementation of related work tasks, ensuring sustainable development and low-carbon elements are incorporated in all aspects of its operations and business decisions. Currently, the Group has set the following environmental goals to further enhance its environmental management level and minimize the impact of its business operations on natural resources:

Environmental targets	Content
Exhaust emission reduction target	• Strengthening vehicle exhaust inspection • Give priority to purchasing new energy and clean energy vehicles (LNG vehicles and pure electric vehicles) • Promoting low-carbon commuting
Energy saving target	• Procure energy-saving equipment, implement energy-saving plans, reduce electricity consumption • Regular review of energy efficiency and management system
Waste reduction target	• Establishing a green and low-carbon office system • Reduce the use of disposable materials • Promote waste recycling and reuse
Water conservation target	• Advocate water conservation for cleaning • Procurement of water-saving equipment • Explore more effective water-saving technologies



PEOPLE-ORIENTED

Zhongyu energy adheres to the talent development concept of "people-oriented", and always puts the wellbeing and safety of employees in the first place. We are committed to creating a healthy, safe and harmonious working environment where employees can realise their values and grow together with the Company.

EMPLOYMENT AND RIGHTS OF EMPLOYEES

The Group emphasises talent management and strictly abides by the *Labour Law of the People's Republic of China,* the *Labour Contract Law of the People's Republic of China* and the *Employment Ordinance (Chapter 57 of the Laws of Hong Kong).* As such, internal policies such as *Management Measures for Back-up Cadres of Zhongyu Gas, Management Measures for Employee Rewards and Punishments* and *Management Regulations on Personnel Rejection* were formulated to improve the employment relationship and promotion mechanism, and regulates the Group's efforts in equal opportunities, diversity and anti-discrimination and other aspects, with the goal of establishing a diverse and equal work environment. Meanwhile, each subsidiary has gradually formulated and improved the *Organisational Discipline Management System, Human Resources Management System, Subsidiary Welfare Payment Regulations* and *Labour Management System* to further improve the employment system framework of the Group. This protects the legitimate rights and interests of employees, and comprehensively covers areas of compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti- discrimination and other treatment and benefits.

The Group has formulated and published the *Employee Rights and Benefits Statement* so as to ensure that the Company's employees are entitled to a comprehensive range of rights and benefits. The statement is our commitment to the welfare of our employees and aims to establish a fair, healthy and safe working environment.

EQUAL OPPORTUNITY, DIVERSITY AND ANTI-DISCRIMINATION

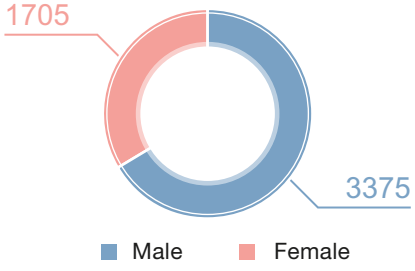
The Group is committed to providing equal opportunities for all employees and promoting the creation of a diverse and inclusive working environment We respect and value the uniqueness of each employee, strictly adhere to the principle of equal opportunities in all employment matters, ensure that each employee is treated with respect and fairness. The Group prohibits any discrimination based on factors such as gender, disability, pregnancy, family status, race, colour, religion, age, sexuality, nationality or union membership, and actively encourages the joining of disabled people by providing them with a supportive working environment.

We are fully aware that equality, diversity and inclusion are the cornerstones of attracting and retaining talented people and the key to the sustainable development of the enterprise. Therefore, the Group will make consistent efforts to improve its policies to promote a culture of inclusion and create an environment which is conducive to the development of our employees and corporate growth, thereby ensuring that every employee can realize the self-value and work together to promote corporate success.

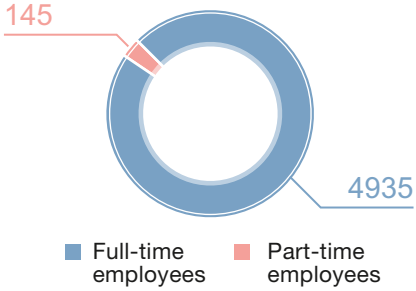
Employees data

During the Year, Zhongyu Energy had a total of 5,080 employees.

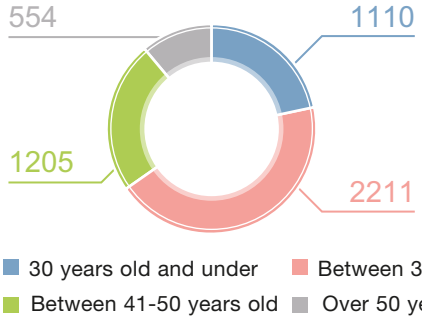
By gender



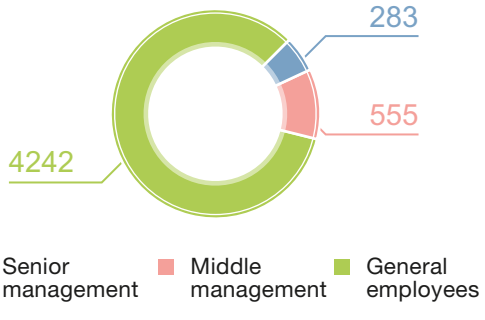
By employment type



By age

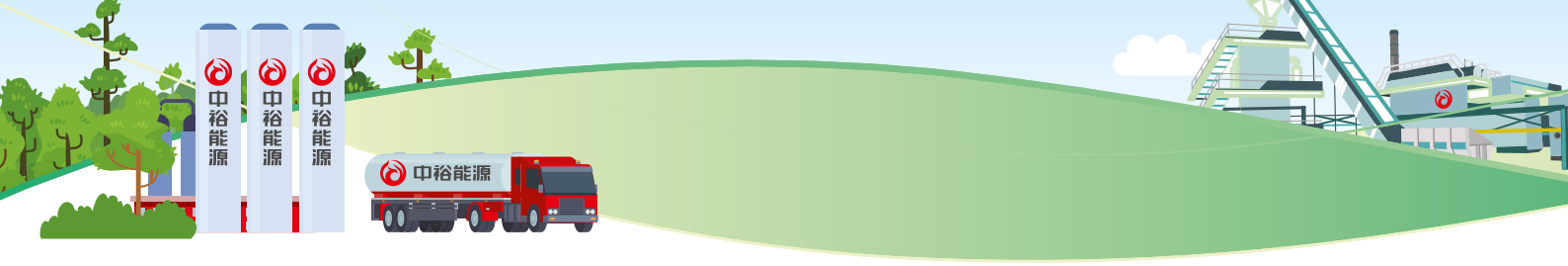


By position level



Employee turnover rate

By geographical region	Mainland China	Percentage	4.1%
	Hong Kong, China	Percentage	7.7%
By gender	Male	Percentage	4.8%
	Female	Percentage	2.9%
By age	30 years old and under	Percentage	8.6%
	Between 31-40 years old	Percentage	3.0%
	Between 41-50 years old	Percentage	1.8%
	Over 50 years old	Percentage	4.7%



PEOPLE-ORIENTED

The Group encourages employees to actively make suggestions and advice for the Group's development and provide channels for them to reflect their opinions or suggestions. Whether there are comments on operation or management, or objections to the matters involving self-interest, such as job remuneration and benefits, performance appraisal, rewards and punishments, employees may report to higher level or relevant departments according to their responsibilities. We will also formulate a reporting mechanism on anti-discrimination and anti-harassment in the workplace, so as to ensure that relevant complaints are fairly and impartially handled. Upon receiving consultation or feedback from employees, the management will explain or take appropriate measures according to their authorities.

During the Year, there were no reported cases of non-compliance related to employment.

Compensation system

The Group provides competitive remuneration packages in a diversified structure of "salary + year-end bonus + allowance" and implement unified remuneration system in all city gas subsidiaries. Meanwhile, the Group also enforces a performance management and employee reward and punishment system to promote the continuous improvement of employees and enhance their work motivation and efficiency through an incentive mechanism. To achieve the principles of fairness and motivation, the Group has implemented a differentiated bonus distribution mechanism to provide employees with equal and encouraging rewards based on their contribution, value created and actual effort, ensuring the remuneration system is both fair and motivating.

Working hours and holidays

The Group promises to reasonably arrange the staff working hours, rest period and leave in strict compliance with the laws and regulations of the place of operation. If overtime work is required, it has negotiated with its employees that compensatory time-off or overtime allowance would be granted in accordance with the law. Statutory holidays are full-paid holidays, and the actual number of days shall be subject to the notice issued by the General Office of the State Council. Other paid leaves include annual leave, marriage leave, bereavement leave, maternity leave, paternity leave, medical sick leave, work injury leave, International Women's Day leave and family reunion leave, which the corresponding salary are paid in accordance with relevant national regulations and the existing leave management policy of the Group.

Each unit will make specific arrangements for leave according to the actual production and operation and the nature of the position. Employees applying for such leaves shall stick to the leave approval procedures in accordance with the management system of the Group and its subsidiary. Completion of approval information is necessary for the approval and payment of paid holiday to employees.

Other benefits and welfare

The Group implements a unified benefit system for all employees and makes sure the distribution standard is consistent. Meanwhile, employees are guaranteed various statutory benefits in accordance with the law, and are provided with corporate benefits in consideration of actual situation. The statutory benefits of employees (including social insurance and housing provident fund) are paid by their unit in accordance with local policy and relevant requirement of the Group. For the employees who are non-full-time labour dispatched employees, and other labour personnel, their relevant statutory benefits shall be implemented as stipulated in their contracts.

In addition, the Group provides various corporate benefits to its employees, specifically including:

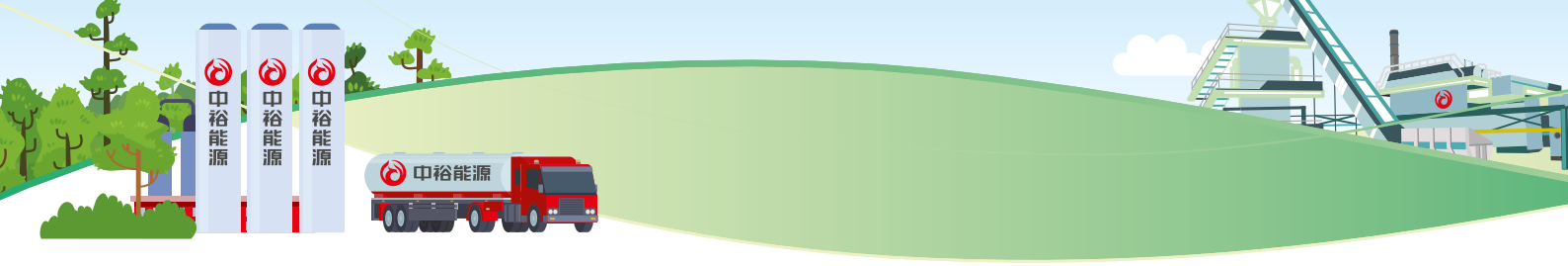
- **Holiday benefits:** Lunar New Year, Mid-autumn Festival, Dragon Boat Festival benefits, birthday parties and International Women's Day benefits for female employees.
- **Seasonal benefits:** subsidies for hot summers and cold winters.
- **Annual medical checkup:** provides an annual medical checkup for employees who passed their probation.
- **Union benefits:** include condolences in respect of marriage, illness and funeral of employees and their immediate family members; organise cultural activities outside work for employees to participate in with a view to enriching their lives; and implement flexible duty reporting arrangement during important events to enhance the work-life balance among employees.
- **Staff restaurant and staff dormitory:** provides convenient dining environment and accommodation arrangement for staff to improve their working and living conditions.











PEOPLE-ORIENTED

LABOUR STANDARDS

The Group respects human rights and strictly complies to the relevant laws and regulations such as the *Labour Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors* and the *Employment Ordinance* of Hong Kong, as well as formulating internal management measures such as the *Management System of Human Resources*. The Group prohibits the employment of child labour and forced labour in the workplace, requiring employees and business partners to comply with relevant preventive and remedial measures, and strives to safeguard the legitimate interests of employees and ensue to protect them from infringement.

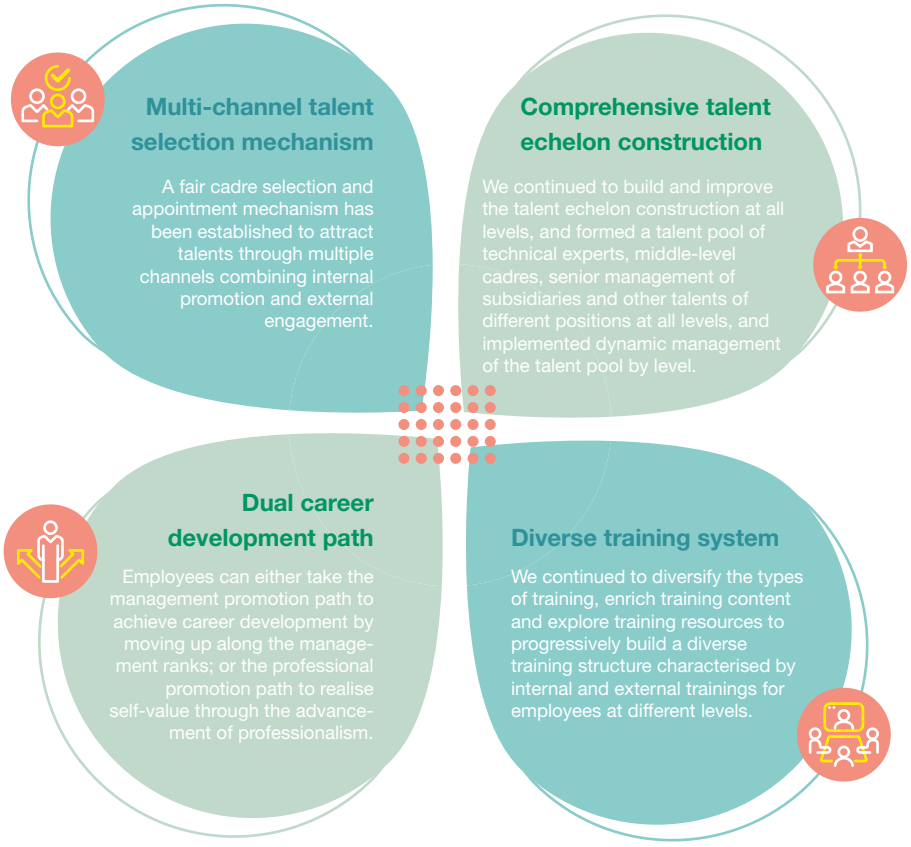
Scope	Management measures
Child labour	The Group stipulates that all employees shall meet the minimum age requirement stated in local law and shall strictly verify the age of applicants during recruitment process. If a child labour is employed by mistake, the child will immediately be stopped from working and medical examination will be arranged to ensure that he/she did not suffer any physical health issue during the working period. Meanwhile, the relevant person in charge shall contact the child's guardian or local education department to arrange for his/her proper return to his/her families or schools. All relevant costs incurred will be borne by the Group.
Forced labour	The Group prohibits any form of forced labour and ensures that all employees are working voluntarily, and entitled to resign in accordance with the requirements of their labour contract. Pursuant to the relevant labour management requirements, if employees are required to work overtime or be on duty during holidays must obtain prior approval from the general manager. In the event of any forced labour, relevant person in charge shall subject to disciplinary action according to the procedures. In principle, the Group encourages employees to complete their tasks within the specified working hours and does not advocate working overtime, with an aim to protect the employees' right to rest and freedom. Employees have the right to freely leave the workplace and dormitory area during non-working hours to ensure that their personal freedom is not restricted.

Our human resources department conducted regular review on the compliance of recruitment process and labour employment, ensuring the recruitment procedures aligned to the relevant regulations and the Group's internal policy requirements. Upon internal audits and compliance inspections, during the Year, there were no reported cases of non-compliance related to the use of child labour or forced labour.

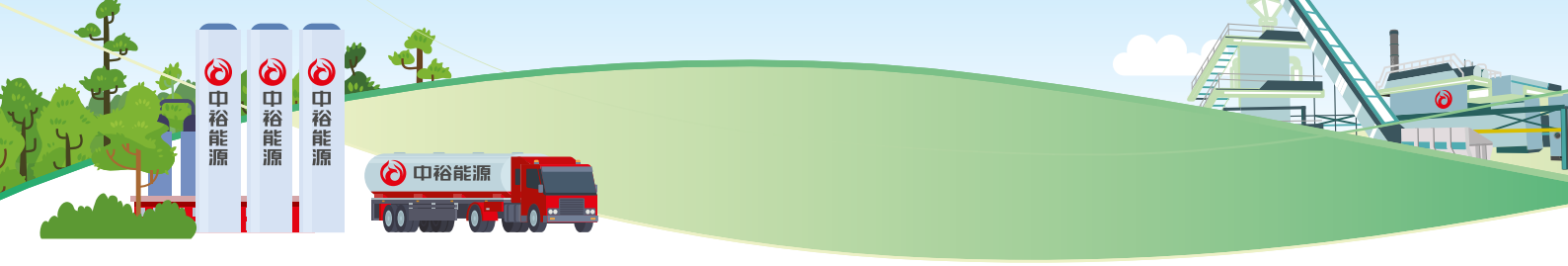


TALENT TRAINING

The growth of a company is inseparable from the continuous development of its employees. The Group fully concerns the selection, employment, training and retention of talents. It constantly improves the talent training system. Through the exploration and training of outstanding talents, the Group continuously strengthens the construction of talent teams at all levels. The Group is committed to providing employees with more learning opportunities and a broad career development platform to help them grow together with the company. The Group also regularly evaluates the work performance of its employees on an annual basis, which serves as an important reference for their promotion.



The Group continued to expand training forms, enrich training contents and explore training resources, and gradually established a diversified training system for different levels with combination of internal and external training. In order to support all-round learning for employees, the Group built and operated the "Cloud Learning" platform, covering the entire process of "learning, measuring, practicing, examining and applying" for online learning, creating an online and offline integrated learning model, and promoting the continuous transformation and application of knowledge. Currently, the Group's "Cloud Learning" platform has accumulated nearly 2,000 courses online, and new courses are updated regularly to enrich its learning resources for employees.



Case Study

Deepening Industry-Education Integration to Strengthen Talent Foundations amid Energy Transition

In response to the accelerating transition of the energy sector and the evolving talent structure driven by the "dual carbon" goals, the Group continues to prioritize talent cultivation and recruitment as a critical pillar of long-term sustainable development. In October 2025, representatives from the Group's management visited Henan University of Urban Construction to engage in university-enterprise cooperation exchanges and participate in campus recruitment activities. They conducted in-depth discussions on topics including talent cultivation in the energy industry, collaborative education, and university-enterprise cooperation models, driving the implementation of industry-education integration mechanisms.

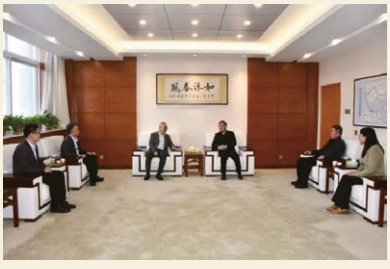
During the exchange, both parties thoroughly communicated on evolving talent demands amid the energy industry's transformation trends. Aligning with the integrated energy business development and practical applications of new technologies, the Group shared its staffing requirements regarding professional structures, knowledge systems, and innovation capabilities. It highlighted that there still exists a certain mismatch between talent supply and demand in the industry, emphasizing the necessity to enhance alignment from talent cultivation through deepened university-enterprise collaboration. The university also stated that it will continue to optimize its talent cultivation philosophy and curriculum system guided by industry needs, cultivating high-quality professionals that meet market demands.

Based on this consensus, both parties identified cooperative directions in jointly formulating talent development plans, establishing internship and practical training bases, and advancing energy technology R&D and application collaborations. This lays the foundation for establishing a long-term, stable university-enterprise partnership. Such cooperation will enhance students' practical skills and employability while building a sustainable talent pipeline for the Group.

During the concurrent campus recruitment event, the Group introduced its development direction and hiring needs to graduating students, engaging in on-site discussions. The event attracted over 200 graduating students and received more than 200 job applications. Following preliminary screening, selected candidates advanced to subsequent interview stages, injecting fresh talent into the Group's reserve talent pipeline.

By continuously advancing university-enterprise collaborations and campus recruitment, the Group aims to establish talent cultivation and recruitment mechanisms aligned with its business development. This supports the rejuvenation and professionalization of its workforce while nurturing human capital with long-term competitiveness for the energy industry's transformation and development. Moving forward, the Group will continue its open and collaborative approach, partnering with diverse educational institutions to promote sustainable talent development and build a foundation for the enterprise's long-term growth.

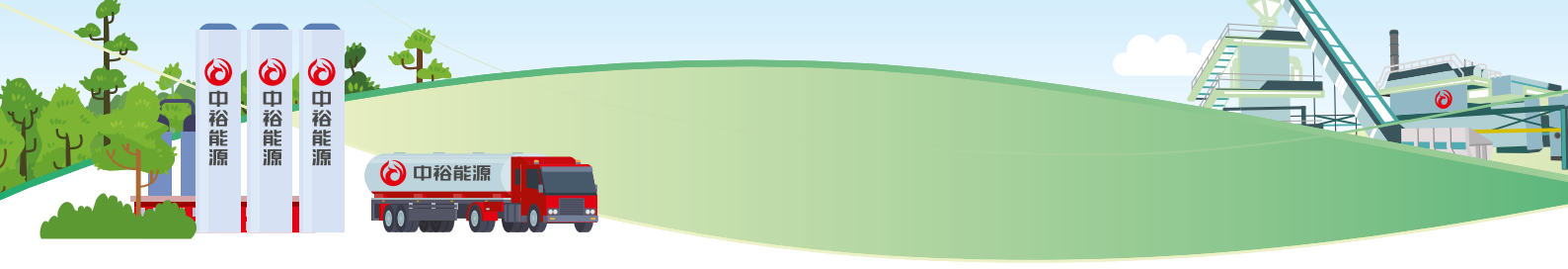




The Group is committed to assisting in the career development of employees, improving employee satisfaction and work enthusiasm, and providing a wide range of training for employees covering new and existing employees at all levels to promote the mutual growth of the employees and the enterprise.



Three-level qualification certification system	In order to help employees at all levels to reserve necessary management knowledge and skills in advance, and provide learning and development support for systems such as "knowledge, thinking and ability", the Group has established a "qualification certification" training mechanism as an entry condition for senior management, middle management, team leaders/supervisors of subsidiaries.
Various echelon training programmes	According to the establishment of the Group's talent echelon, combined with the actual business and personnel characteristics of key groups of each echelon, the Group sorted out the learning and improvement needs of various personnel, created tailor-made training programmes, and continuously improved the professional capabilities of each group.
Professional skills training	The Group organised the business backbone of each subsidiary to form an internal trainer team, carried out curriculum development based on the experience extracted from various grassroots positions, and formed professional skills training for the "should know and should do" knowledge of each position.
Front-line practical training	The Group attaches great importance to vocational skills training for front-line employees, and has built a professional training base in Jiaozuo City, Henan Province. The base serves as the main base of the Group's practical training and plays an important role in promoting business development. The base also undertakes the social functions of vocational training in local gas industry.



PEOPLE-ORIENTED

Employee training program

Zhongyu Energy values talent cultivation and has established an annual training plan for its staff. The Group continues to enhance the overall competitiveness of both employees and the enterprise and achieve mutual growth by continuously promoting mentoring programs, regular optimizing management systems, upgrading online training platforms, and enriching training courses.

The Group has successfully achieved the target number of employee training hours set by the Sustainability-Linked Loan (SLL) from 2021 to 2023 and is committed to maintaining the average training hours per employee at no less than 55.8 hours to ensure that our employees are equipped with the expertise and skills to meet challenges in the future.

Training Objective	Actual Achievement in 2025	Average training hours of employees
≥55.8 hours/person	56.7 hours/person	2023: 55.8 hours; 2024: 55.9 hours; 2025: 56.7 hours

During the Year, training resources were focused on enhancing employees' professional skills and strengthening safety awareness. The specific percentage of each of the employee training topics are as follows:

Training topics



Safety and legal system training
Safety knowledge training
Safety skills training
Safety and ideological education training
Professional training
Employees health training
Anti-corruption training
General management training
Employees soft power training
Employees vocational training

Case Study

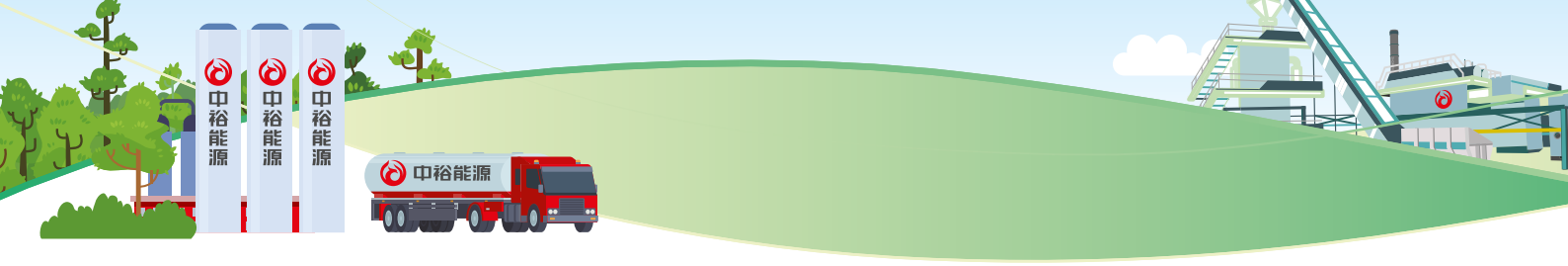
Using Competitions to Drive Training, Strengthening Frontline Skills and Gas Safety Assurance Capabilities

To continuously elevate frontline employees' professional competencies and operational safety capabilities, the Group prioritizes talent development through methodologies combining diverse training with practical exercises.In September 2025, Baishan Zhongyu Gas, a subsidiary of the Group, hosted the "2nd Baishan City Employee Vocational Skills Competition—Gas Industry Skills Contest" and actively participated in it. Through the approach of using competitions to drive training and enhance capabilities, the event comprehensively reviewed and improved the professional competence and practical skills of gas industry practitioners.



This competition closely aligned with core safety operational requirements in the gas industry, featuring two modules: theoretical assessment and practical operation. The theoretical assessment focused on urban gas design, safety production, and relevant laws and regulations, evaluating participants' mastery of industry standards and safety management requirements.The practical operation assessment simulated real-world work scenarios, covering critical operational processes such as gas pipeline installation and household safety inspections. Scoring criteria incorporated operational details and risk identification capabilities, reflecting the industry's "safety first" principle. This approach strengthens employees' safety responsibility awareness and promotes the practical implementation of standardized operations in daily work.

Baishan Zhongyu Gas employees demonstrated outstanding performance in the competition, showcasing solid professional foundations and excellent on-site adaptability. This reflects the Group's long-term investment in frontline skills development and safety management. By hosting and participating in industry skill competitions, the Group not only provides employees with platforms for demonstration and exchange but also promotes skill benchmarking and experience sharing within the industry.



Case Study

"Role Redefinition and Situational Communication" Training for Newly Promoted Team Leaders

Transitioning from executor to manager is often the most critical step in the growth journey of frontline personnel. The Management Headquarters organized 65 frontline managers from various subsidiaries to participate in an on-site training session themed "Role Redefinition and Situational Communication Training". Led by external professional instructors, the training began with the management responsibilities of team leaders and supervisors. Using customized practical cases, it clearly analyzed the role positioning of team leaders, guiding participants to understand their critical function in corporate operations. The communication skills training segment employed a dual-track approach of theoretical instruction and scenario simulations. Participants took on roles such as managers and subordinates, applying learned communication strategies to address and resolve simulated workplace conflicts and real-life scenarios. Through multiple rounds of exercises and debriefings, participants mastered the logical techniques for upward reporting and the key points for clear downward communication. Frequent classroom interactions fostered an intensive learning atmosphere, effectively enhancing the practical communication skills of the frontline management team.



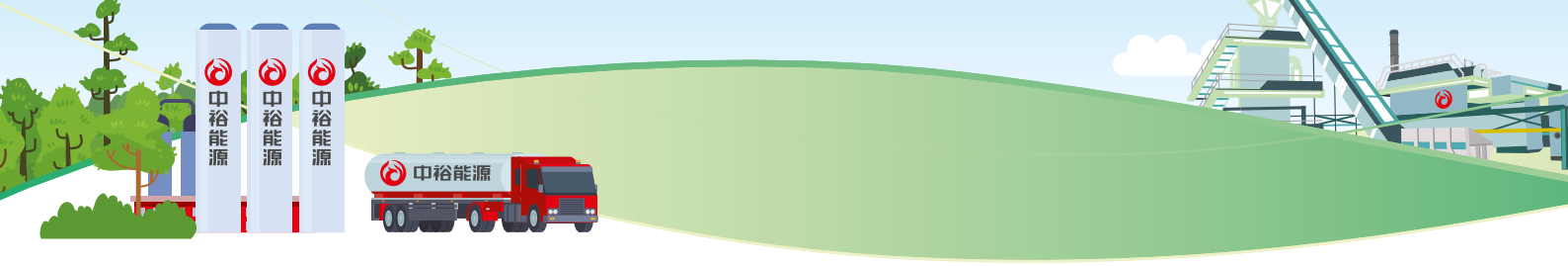


Case Study

"Dual-Track Empowerment" Management Training for Newly Promoted Middle Managers



Breaking from the tradition of solely external lectures, this training pioneered the integration of "external management sessions" with "internal empowerment workshops". It delivered a comprehensive learning experience—balancing theoretical breadth with practical depth—to 80 newly promoted middle managers participating in the "Excellence in Management Launch" program. External instructors used management simulation games as entry points to thoroughly analyse employees' four core needs and the essential thinking frameworks required of managers. Through diverse interactive activities, participants mastered key managerial competencies including delegation, goal-setting, and subordinate motivation, which are essential skills for middle management. During the training, the Group's Executive Vice President delivered industry and operational lectures that combined strategic insight with practical relevance. A senior General Manager from a subsidiary also provided participants with practical implementation guidelines under the theme "Supporting Newly Promoted Middle Managers in Rapid Role Transition", helping participants establish clarity and confidence in their managerial practice.



PEOPLE-ORIENTED

Since 2018, Zhongyu Energy has placed particular emphasis on the professionalisation of safety management and has implemented a series of measures to encourage safety management personnel in subsidiaries, as well as other relevant roles, to obtain professional qualifications such as the Certified Safety Engineer. These measures include organizing regular examination experience-sharing sessions to facilitate the knowledge sharing and the exchange of best practices.

In recent years, the Group's marketing and customer service department has continued to focus on upgrading the skill level of its staff and strengthened its investment in the cultivation of professional and skilled talents. It has successively established professional training bases in Guangdong and Henan, and organized more than 2,300 professional skills training and job certification and assessment activities, with an average annual staff elimination rate of nearly 10%. Through years of continuous effort, Zhongyu has basically set up a professional team with the ability to install, repair and rescue gas pipelines and gas appliances. All frontline customer service personnel in key positions have achieved 100% job-certification compliance.



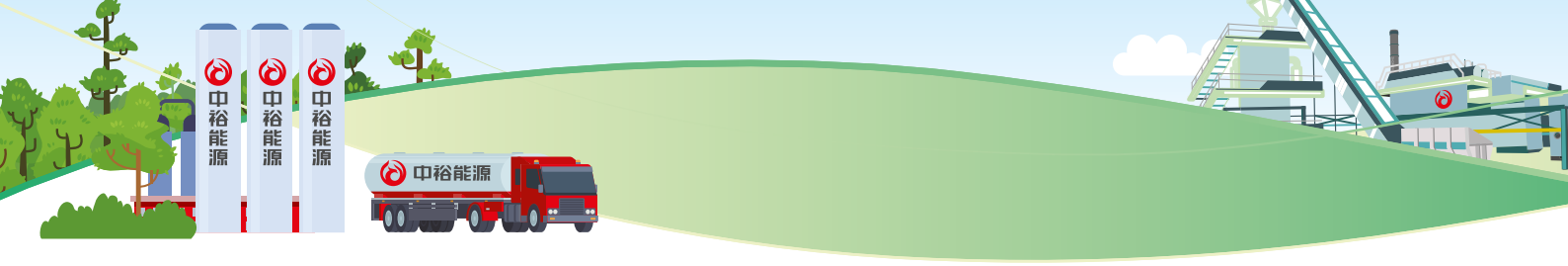




ANTI-CORRUPTION MEASURES

Zhongyu Energy has formulated a series of systems and measures for anti-corruption such as the *Audit and Supervision System*, *Accountability System*, *Notice on Further Strengthening the Supervision and Contribution of the 'Top Leaders' and the Management Team*, *Reporting Management Measures (Trial)* and the *Ten Red Lines of Employee Behaviour* to ensure that the Group does not have any form of corruption, bribery, extortion, fraud and money laundering during the course of operation. In the meantime, the Group also strictly complies with relevant laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China* and the *Prevention of Bribery Ordinance* of Hong Kong, and ensure that employees understand and comply with relevant requirements, and must not participate in any bribery or corruption activities.

Zhongyu Energy Accountability System	• The audit and supervision department has introduced in detail the relevant contents of the *Accountability System* within the Group to ensure the apprehension and understanding of the contents of the system by employees, regulation of daily behaviours and effective implementation of the system.
Notice on Further Strengthening the Supervision and Contribution of the 'Top Leaders' and the Management Team	• In order to enhance the professional ability and quality of the management of each company, enhance the ability of each company to prevent operation and management risks, combined with the problems discovered by the audit and supervision department over the years, a precise supervision mechanism was established by the Group to strengthen management efficiency.
Zhongyu Energy Reporting Management Measures (Trial)	• The Measures aimed at maintaining the normal production and operation order of the Group, ensuring that the interests of the Group would not be damaged. It cracked down on violations of laws and regulations such as infringement of the interests of the Group and disruption of the development order of the Group. • Employees of the Group were encouraged to actively report various acts that may damage the interests of the Group and the legitimate interests of the whistleblowers would be protected. • The Measures clearly set out multi-channel reporting methods, such as by telephone, email and enterprise WeChat, and it will give corresponding rewards to the whistleblowers for verified reporting information.
Ten Red Lines of Zhongyu Energy Employee Behaviour	• The *Ten Red Lines* aimed at maintaining the normal production and operation order of Zhongyu Energy and strengthening the red line awareness of employees in the operation and management. • The *Ten Red Lines* clearly defined ten prohibited behaviours, such as prohibits the solicitation, provision or acceptance of benefits from customers, suppliers or anyone who has business dealings with the Group in the name of the Group, and the violation of any of them will be strictly investigated for the relevant responsibilities and heavily punished according to the *Accountability System*.



PEOPLE-ORIENTED

We have set up multiple reporting channels including mailbox, e-mail, telephone and corporate WeChat platform to receive whistle blowing information. For the reported information received, the audit and supervision department shall conduct independent investigation and verification, and submit the audit investigation report to the audit and supervision committee for review. The responsible persons who are found to have violated rules and regulations shall be held accountable in accordance with the rules and regulations. In 2025, the Group did not receive any reports of bribery, extortion, fraud and money laundering.

The Group firmly believes that sound corporate governance begins with leading by example by the management and the joint participation of all employees. During the year, our anti-corruption training covered our Board members and employees at all levels. A total of 884 employees (including Board members) participated in anti-corruption related training, with a cumulative 3,442 training hours in total. The training content includes the study of anti-corruption documents of the Company, introduction of corruption-free and domestic anti-corruption situation and case analysis.

Anti-corruption training		Unit	2025
Management level (male)	Persons receiving training	Person	**249**
	Total training hours	Hour	**996**
Management level (female)	Persons receiving training	Person	**34**
	Total training hours	Hour	**136**
Managerial grade employees (male)	Persons receiving training	Person	**402**
	Total training hours	Hour	**1,608**
Managerial grade employees (female)	Persons receiving training	Person	**152**
	Total training hours	Hour	**608**
General employees (male)	Persons receiving training	Person	**38**
	Total training hours	Hour	**76**
General employees (female)	Persons receiving training	Person	**9**
	Total training hours	Hour	**18**

In addition to the aforementioned regular online courses, to further enhance training effectiveness and ensure compliance principles transition from “online awareness” to “offline practice”, the Group also conducted targeted thematic education activities for its core management team.

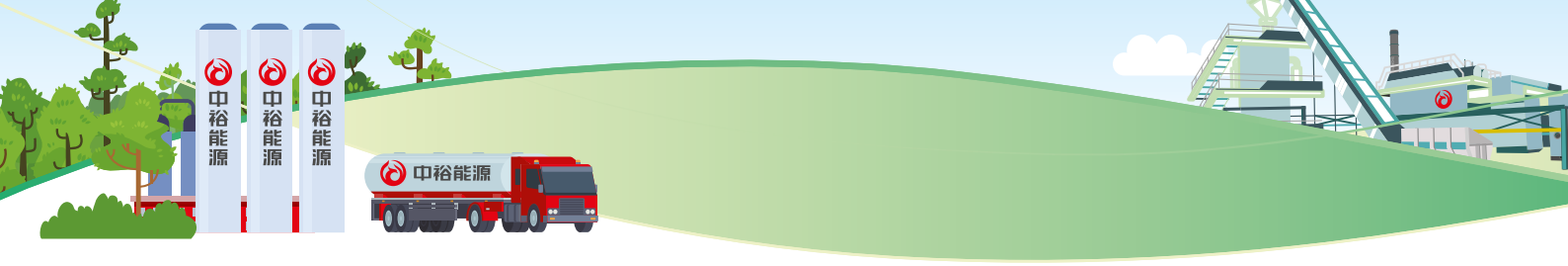
Case Study

Fortifying Compliance Defences and Deepening Integrity Awareness among All Employees

To implement the Group's compliance-oriented business philosophy and strengthen the risk prevention awareness and professional ethics of the management team, the headquarters convened a special audit and supervision training session via video conference on 27 March 2025, themed "Fortifying Red Line Awareness and Reinforcing Bottom-Line Thinking". This training covered senior managers and above at headquarters, as well as middle-level and above management personnel across subsidiaries, aiming to build group-wide consensus on compliant development through cautionary education.

The session combined case studies with policy dissemination, intensively focusing on reinforcing understanding of the "ten red lines of Zhongyu Energy". The general manager of the audit and supervision department comprehensively reviewed the Group's red line regulations, systematically elucidated the core essence of "red line awareness and bottom-line thinking", and sternly warned of the accountability risks and legal consequences of violating these red lines. He explicitly required managers at all levels to strictly adhere to compliance standards in both cognitive learning and behavioral decision-making. Furthermore, the training utilized real-life case studies from both within and outside the Group to deeply analyse the underlying objective and subjective causes of violations. It provided targeted improvement recommendations from dual perspectives of business norms and management practices. This specialized training effectively enhanced the integrity and self-discipline awareness of personnel in key positions, providing a solid foundation for building a clean and upright business environment within the Group.





SAFETY OPERATION AND QUALITY MANAGEMENT

HEALTH AND SAFETY

The Group is fully aware of the importance of employees' health and safety to an enterprise. As such, we continue to promote our production safety approach and pay greater attention to the health and safety of employees. Zhongyu Energy, as a company specialising in the sales of gas, will cause huge impact on the health and safety of its employees if an accident occurs, such as a gas leakage in its workplace. Therefore, the Group has formulated internal policies such as the *Safety Production Management Regulations, Safe Production Liability Insurance System* and *Safety Production Ban*, aiming to achieve zero work injury and eliminate any safety hazards incurred in the course of operation.

At the same time, we will also strengthen our concern for the health of our employees and provide services such as health checkups, and occupational health education training, so that our employees can understand their own health conditions and prevent the occurrence of occupational diseases. We firmly believe that only by maintaining the health and safety of our employees can we enable them to devote themselves to their work and realize the sustainable development of the company.

In addition, the Group also strictly complies with relevant laws and regulations, such as the *Production Safety Law of the People's Republic of China, the Law of the People's Republic of China* on the *Prevention and Control of Occupational Diseases and the Occupational Safety and Health Ordinance* of Hong Kong. During the Year, the Group was not aware of any cases of non-compliance regarding health and safety. We will continue to strengthen our internal management and supervision to ensure that all employees work in a safe and healthy environment.

During the Year, Zhongyu Energy received two letters of appreciation from the Henan Provincial Urban Gas Safety Inspection and Rectification Task Force and the Shanghai Petroleum and Natural Gas Exchange, which highly recognized Zhongyu Energy's active contributions to the development of the urban gas industry, safety management, and gas supply security.



Occupational health data

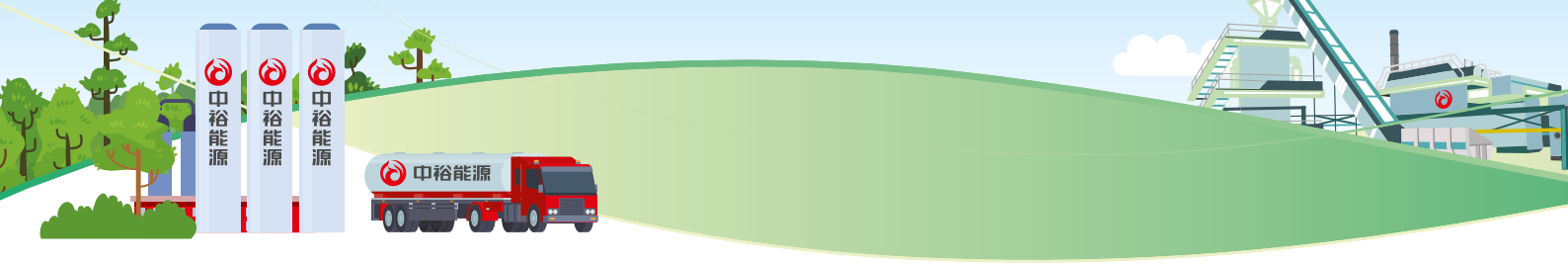
Health and safety	Unit	2025	2024	2023
Number of work-related fatalities	Person	**0**	0	0
Lost days due to work injury	Day	**40**	10	40



Safety Management Framework and Management System

In order to ensure effective protection for the safety of employees, the Group has clearly defined the production safety responsibilities of each supervisor at all levels in the Group to identify hazard risks and factors in the workplace and to take effective preventive and control measures. The Group will also formulate an annual safety work plan, require employees at all levels to sign the *Safety Management Objective Responsibility Letter*, and conduct strict assessment on the safety objectives.

Relevant person in charge	Production safety responsibility
Head of Headquarters and major person-in-charge of Subsidiaries	• Implement the national regulations on safe production and establish corresponding safety management systems; and • Formulate major accident preventive measures and emergency response plans. If a material production safety accident occurs within his/her jurisdiction, he/she should arrive at the scene promptly to organise and give commands during the rescue work.
Deputy general manager of safety	• Organise and commence safety education and training to raise employees' safety awareness, to enhance the standards of safe operation, and to supervise employees who are engaged in safety management and special work to acquire permits before they work; and • Supervise each department to fulfill the production safety responsibilities and implement production safety regulations, and to rectify any dereliction of duty in the production process in a timely manner.
Person-in-charge for production safety of each department	• Responsible for announcing production safety information, such as: accident and casualties statistics, etc.; • Organise work related to production safety emergency drills; and • Report the status of production safety to the safety supervision and management department on a monthly basis, and actively make suggestions for improvement based on the actual situation.
Safety administrator at grassroots level	• The engineering and operation departments shall establish the position of safety administrators according to the arrangements for work safety, who are responsible for all works in relation to production safety management.



SAFETY OPERATION AND QUALITY MANAGEMENT

The Group places great emphasis on customer health and safety, which is why it has established a safety management system and implemented standardized management practices. Through supervision, inspection and measurement verification, each process (including facility design, engineering, operation and maintenance) is in compliance with safety standards.

To continuously refine and optimize the Group's safety management system, the following policies were successively formulated and released during the year: the Group's *Accident Emergency Response Mechanism (2025 Edition)*, *Management Measures for the Extraction and Use of Work Safety Funds*, *Internal Reporting Reward Management Measures for Accident Hazards (Trial)*, *Key User Safety Operation Management Requirements (2025 Edition)*, and *Enterprise-Level Management Regulations for Urban Gas Enterprises*, comprehensively enhancing the Group's safety management level.

To ensure subsidiaries effectively fulfill their primary safety responsibilities and strengthen the supervisory role of the management headquarters, the Group released the *2025 Safety Flight Inspection Activity Plan*. This established a group-wide random safety inspection and unannounced visit mechanism, focusing on management weaknesses and high-risk areas. It involved in-depth analysis of root causes to fundamentally eliminate safety hazards while enhancing the ability to draw lessons from incidents to prevent recurrence of similar issues. Throughout the Year, three rounds of open and covert inspections were conducted, covering nine subsidiaries and identifying over 200 safety hazards of various types. These efforts effectively prevented occurrence of accidents.

The Group has maintained a clear division of emergency handling responsibilities between each department and formulated handling procedures by accident types to ensure timely and effective handling of gas facility emergencies. After receiving an accident report, each unit should immediately initiate the corresponding emergency plan to organise emergency rescue and take timely measures to rescue the relevant personnel, prevent the accident from expanding and reduce casualties and property losses.

In the event of a gas leak, each subsidiary shall arrange personnel to arrive at the scene in the first place for emergency rescue, repair the faulty gas pipeline/facilities, and resume gas supply immediately after passing the air tightness test. In the event of an indoor gas accident, each subsidiary should follow the instructions of *Essential Responses for Gas Accident Emergency of Residential Users* and the emergency plan requirements of the Group. Emergency work groups should be despatched immediately to cooperate with government to organize emergency rescue and rescue work, and investigate and handle the accident. Also, the post-accident team must evaluate the incident rescue process to identify deficiencies of the emergency procedures and propose improvement measures.

Safeguarding Customer Safety

Zhongyu Energy has always regarded the safeguarding of customer safety as its core mission, ensuring that its users can use natural gas safely and stably through multi-level measures, multi-faceted supervision and refined services. During the Year, the Group formulated and published the *Management Guidelines on Security Inspection of Residential Users (Version 2024)* and the *Notice on Further Standardizing the Management of Basic Information of Industrial and Commercial Customers and Security Inspection of Households* to strengthen the management of safety of customers of each subsidiary in an institutionalized and standardized manner.

Zhongyu Energy conducts regular household safety inspections for residential and non-residential users (including industrial and commercial users), which should not be less than once per year for residential users and not less than twice per year for non-residential users. During the inspections, the Group focuses on the use of gas facilities, including the safety of meters, stoves, water heaters, hoses and other equipment, while distributing Instructions for *Safe Use of Gas* and affixing logos and signs promoting safe use of gas. If a safety hazard such as a gas leakage is found, the leak test will be performed immediately, and professional maintenance personnel will be notified to handle it promptly after the leak point is identified so as to ensure that the potential hazards are detected and resolved as early as possible. In addition, the Group will also arrange interviews with users to understand their satisfaction and suggestions for the services, with a customer interview rate of not less than 5%.

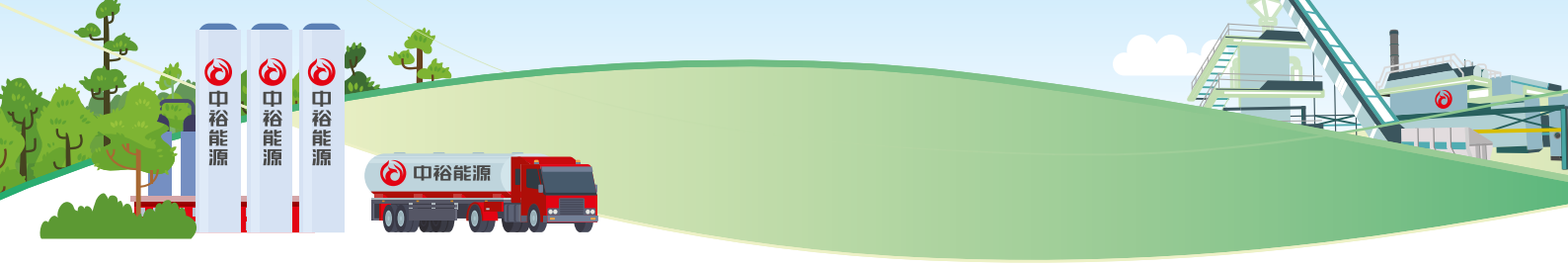
In an effort to further enhance safety and security, the Group has established a special safety joint inspection group to carry out comprehensive and in-depth investigation and rectification of potential risks of gas pipeline network facilities at LNG stations, schools, large urban complexes, kindergartens and other places with dense populations as well as those for residents in older communities. In addition, during extreme weather and festivals, each subsidiary will also organize patrols and inspections of pipeline networks and plant stations to investigate and rectify problems as soon as they are identified, so as to eliminate potential safety hazards in a timely manner and minimize safety risks. In a bid to further enhance its safety and security capabilities, the Group has actively introduced modern intelligent technologies, such as the use of a combination of human and technological defense to conduct regular inspections of gas pipelines, and the application of drones for patrolling detection and GIS systems to improve the efficiency and accuracy of patrolling detection.

Case Study

AED Deployment and First Aid Training for All Employees

Responding proactively to public safety needs, the Group deployed AED devices in some high-traffic service halls during the Year and organized professional first aid skill training for employees. This training covered cardiac arrest recognition and hands-on AED operation drills. The initiative aimed to transform service outlets into community nodes equipped with emergency support capabilities, ensuring the “golden hour” for rescue is secured during emergencies. By enhancing employees’ emergency response capabilities, the Group not only strengthened safety safeguards in public spaces but also demonstrated proactive commitment to societal public safety, continuously deepening its corporate social responsibility practices.





Case Study

Smart Energy Operation Center

Driven by the "dual carbon" goals, we have established the Smart Energy Operation Center as the core platform for energy digital transformation. Addressing challenges in traditional energy operations such as data silos, delayed responses, and rudimentary equipment management, the Group systematically restructured its operational model through an ESG framework. By integrating cutting-edge technologies like IoT, big data, and AI, the Group built an integrated smart control system for "energy, grid, load, and storage". This system aimed to drive green and low-carbon transition across the entire value chain of energy production, transmission, and consumption. Leveraging the robust data infrastructure of the Smart Energy Operation Center, we achieved deep mining and analysis of energy data, incorporating "digital intelligence" into every operational detail:

AI-Powered Gas Volume Query Assistant	IoT Full Lifecycle Management	Mobile Real-Time Monitoring and Proactive Alerts
Employees no longer need to navigate complex reports. By simply typing (or asking via voice) queries such as "Heating-season gas volume comparison for the Henan region" on a mobile device, the system immediately returns accurate data.	Through "single-screen visibility", the system provides real-time monitoring of equipment status, including online availability and anomalies. Supported by intelligent fault diagnosis and maintenance-record integration, the system automatically builds an operations-and-maintenance knowledge base.	Operations personnel can monitor key stations and user data anytime and anywhere. When anomalies are detected (such as sudden pressure fluctuations or offline equipment), the system no longer waits for manual checks. Instead, it proactively pushes "alert notifications" to responsible personnel and tracks the handling process through to closure.
This significantly lowers the barrier to data access, supports multidimensional and cross-regional agile analysis, and provides timely, science-based insights for energy-operation decision-making.	By optimizing equipment operating parameters based on real-time data, it shifts from "reactive repairs" to "preventive maintenance", significantly enhancing the stability and reliability of energy systems while extending asset lifespans.	It dramatically shortens risk-response times, fortifies safety defenses, and simultaneously accelerates customer service responsiveness.





Building of Emergency Response Capacity

Zhongyu Energy attaches great importance to the building of emergency response capacity and continues to improve its emergency management system. In addition, the Group requires all subsidiaries to carry out emergency response capacity assessment to comprehensively identify weaknesses in emergency response, and effectively improve the emergency response capabilities for sudden safety accidents by focusing on remedying the shortcomings and strengthening the weaknesses. Relying on the improvement and optimization of its emergency rescue system, the Group is committed to continuously enhancing the efficiency and level of emergency rescue to ensure a quick and effective emergency response in the event of emergencies, and hence minimize the impact of the accident on employees and users.

In line with the Group's deployment, each subsidiary and regional joint defense centers have organized and carried out multi-frequency emergency rescue drills covering a wide range of elements (e.g., medium and high-pressure pipeline network leakage, LNG tank valve leakage and fire, third-party construction damage to gas pipelines, flood control and other issues). Through the high-frequency practical drills, the Group has comprehensively examined the scientific and effective nature of various emergency plans of each subsidiary, and effectively honed the rapid response and coordinated handling capabilities of the emergency rescue teams. These measures not only enhanced the Group's ability to respond to emergencies, but also further strengthened the solid foundation for safe production and operation.



Nantong Company LNG Leak Accident
Comprehensive Emergency Drill



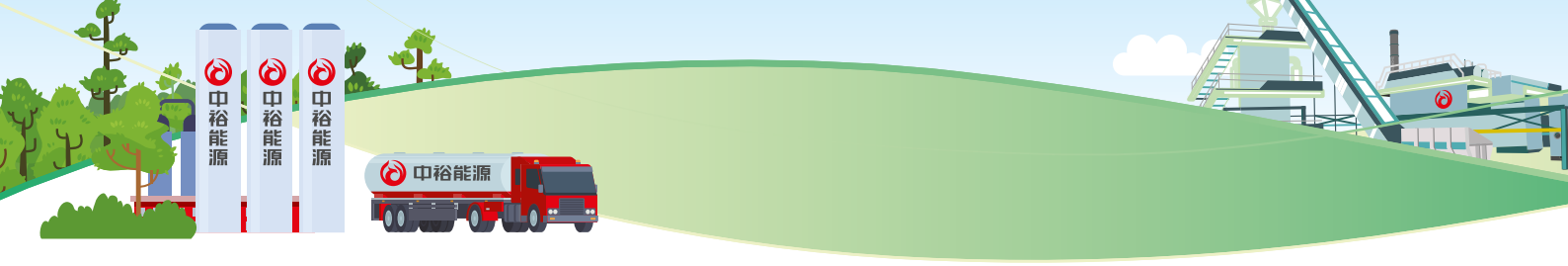
Xinhe Company Gas Accident
Comprehensive Emergency Drill



Jiyuan Company High-Pressure
Pipeline Leak Emergency Drill



Sihong Company Gas Pipeline Network Leak and
Explosion Accident Emergency Drill



SAFETY OPERATION AND QUALITY MANAGEMENT

Safety Production Month

In June 2025, Zhongyu Energy comprehensively launched its 24th "Safety Production Month" activity. This activity aimed to transform the Group's "Safety First" philosophy into a collective, conscious action through centralized, high-intensity safety advocacy and targeted governance. Centered around the core principle "Building Consensus to Eliminate Hazards, Adopting a Proactive Approach to Preemptively Control Risks", this activity not only actively responded to the national three-year campaign for fundamental safety improvements but also served as a crucial opportunity to strengthen the Group's internal safety culture.

The Group continued and deepened its "General Manager's Safety Talk" mechanism. During the activity, top executives from subsidiaries stepped out of the background to personally lead safety lectures and hazard inspections. Addressing issues uncovered during government inspections and the Group's "flying inspections", all units leveraged Safety Month to conduct centralized reporting and rectification. Through a "follow-up review" mechanism, they ensured thorough elimination of hazards and resolutely prevented major accidents.





Beyond rigorous internal governance, Zhongyu Energy extended Safety Month's influence externally. Leveraging the "5-into" campaign (into communities, enterprises, schools, families and villages), the Group conducted intensive gas safety knowledge popolarizing campaigns. Through high-frequency interactive publicity, it not only heightened user awareness of safe gas usage but also strengthened the safety defense line through government-enterprise collaboration and public participation.



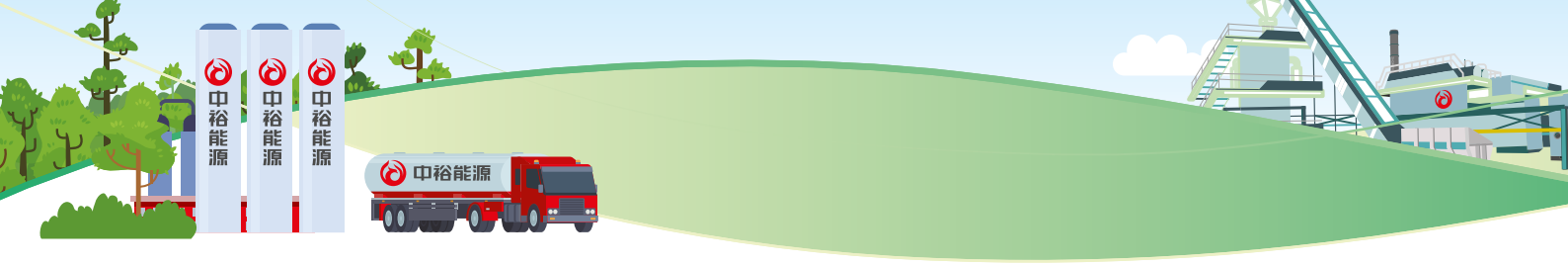
2025 Safety Production Month Outcomes



Supply Chain Management

Supply chain management is an important part of the Group's operation. Good supply chain management enables the Group to provide high quality products and services to its users. The Group has formulated the management policies such as the *Material Purchase Management System* and *Contract Template for Material Procurement* to regulate the selection procedures and standards of suppliers, including environmental and social performance standards. The material management policies set out the technical specifications of various materials, requiring all shortlisted suppliers to strictly comply with the environmental and industrial-related standards and regulations. The suppliers of the Group are mainly shortlisted through business negotiation and tender, and in principle, three suppliers will be shortlisted for each type of materials. In 2025, the Group engaged a total of 80 suppliers.

Pursuant to the *Material Purchase Management System*, the Group has established a supplier selection mechanism to assess the supplier's product quality, price, effectiveness of product usage and after-sales services, and to eliminate suppliers that do not meet the requirements of the Group.



SAFETY OPERATION AND QUALITY MANAGEMENT

In addition, the *Contract Template for Material Procurement* provides an explicit agreement with the suppliers that the Group cooperates with on the quality assurance of the products where:

- The suppliers shall guarantee that the contract products are brand new and fully comply with the relevant national quality standards, as well as the brand, quality, specifications and performance requirements stipulated in the contract.

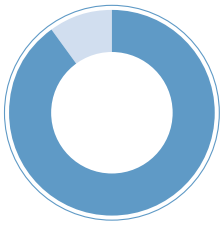
- The suppliers shall guarantee the warranty period of the products and the service life and performance of the products. If any product quality problem arises during the product warranty period, the suppliers shall be responsible for free replacement or repair. In case of failure to repair or replace, the suppliers are responsible for refund, and shall timely analyse the cause in order to take corrective and preventive measures.

- Adjustments on the product varieties, specifications, quality and packaging made by suppliers due to substantial changes in production materials, production equipment, production techniques or market are subject to prior negotiations with the Group, and changes could only be made upon written confirmation by the Group.

In addition, the Group also requires suppliers to use parts and components of products which are in compliance with the requirements of *Restriction of Hazardous Substances* (RoHS) and verified by RoHS report, and list out the name and content of possible hazardous substances contained in such products in the product user manuals pursuant to the State's *Measures for the Administration of the Restricted Use of the Hazardous Substances Contained in Electrical and Electronic Products* in order to promote the procurement of environmentally friendly products.

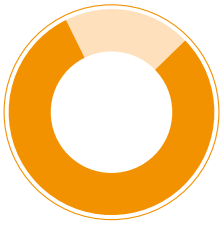
The Group identifies potential environmental and social risks across the supply chain and focuses on the managing the environmental and social risks of the supply chain. It also undergoes assessment and supervision on its suppliers to incorporate various system certifications regarding environment, occupational safety and health, and quality (such as ISO 14001, ISO 45001, ISO 9001, etc.) into the assessment items, and motivates the suppliers to enhance the environmental and labour interest management. Currently, most suppliers of the Group have obtained environmental, occupational safety and health, and quality management system certifications.

The Group will supervise the entire procurement process, conduct special audits and inspections on a regular basis, and deal with violations of laws and regulations to ensure the compliance of the procurement process.



Proportion of approved suppliers with quality management system certification

>95%



Proportion of approved suppliers with environmental management system certification

>90%



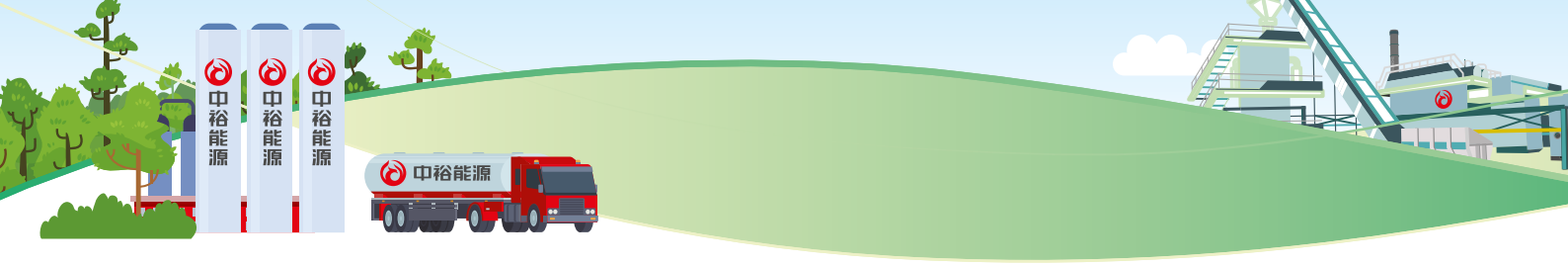
Proportion of approved suppliers with occupational health and safety management system certification

>90%



The Group also required all suppliers to, abide by strict business ethics while guaranteeing the quality of the products they supply, pursue the highest level of business ethics and integrity in business operations, and meet the environmental and social requirements of the Group, for example:

Environmental aspect	Social aspect
• Ensure that no materials harmful to the environment are being used in processing and manufacturing • Develop an environmental protection system to manage environmental risks arising from daily operation • Obtain permission for environmental impact assessment	• Resolutely refuse to accept any bribes or other misconducts • Maintain fair trade and competition • Comply with relevant labour regulations to ensure that the legitimate interests of employees are protected • Not to differentiate employees by their gender, disability, pregnancy, family status, race, colour, religion, age, sexuality, nationality, union membership or other reasons • Respect the basic labour human rights protection principles, including the internationally-recognised basic labour human rights principles



SAFETY OPERATION AND QUALITY MANAGEMENT

PRODUCT RESPONSIBILITY

In order to ensure that the health and safety of the products and services, intellectual property rights, customer complaint handling procedures and customer privacy protection comply with relevant national laws and regulations, the Group has formulated internal management policies such as the *Zhongyu Energy Safety Production Management Regulations, Guidelines for the Safety Inspection of Household Gas Facilities* and *Daily Inspection Management System,* committing to improving its products and services responsibility management structure.

The Group complies with relevant laws and regulations such as the *Product Quality Law of the People's Republic of China, the Three Guarantees Rules of the People's Republic of China, the Law of the People's Republic of China on Protection of the Rights and Interests of the Consumers, the Advertising Law of the People's Republic of China and the Personal Data (Privacy) Ordinance* of Hong Kong. All products are covered by product liability insurance which is undertaken by Ping An Property & Casualty Insurance Company of China, Ltd. During the Year, the Group did not identify any cases of non-compliance regarding the health and safety of products and services, advertising and labelling.

LABELLING MANAGEMENT

In strict compliance with the *Product Quality Law of the People's Republic of China and the Advertising Law of the People's Republic of China,* the Group is committed to providing complete, accurate, sufficient and timely information, including promotional publications and product labels, to external stakeholders, including investors, customers and partnering institutions. If the relevant information is found to be inaccurate or misleading, it should be amended and replaced by specified staff as soon as possible to protect the interests of consumers.

INTELLECTUAL PROPERTY

The Group is committed to protecting intellectual property rights of the Group and its partners from being infringed and complying with the confidentiality agreement and licensing system agreed by both parties. In addition, to ensure the use of genuine software in all operational processes, the Group also provides relevant training on the use of genuine software for information management personnel. In the process of cooperating with external agencies, the contract terms also stipulate that there should be no infringement involved in the products and services provided by the agency.



RECALL OF DELIVERED PRODUCT

The product quality verification of Zhongyu Energy is conducted on a sample basis according to the *Guidance on Finished Products Inspection Work*. In compliance with the relevant national regulations and having in place the *After-sales Service Policy of Zhongyu Phoenix* (中裕鳳凰) *Brand Products, the Abnormal Product Quality Management System* and other relevant management policies, the Group strictly monitors product quality and provides reasonable after-sales services, including return, exchange, local maintenance and return for maintenance. The Group requires all subsidiaries to conduct proper signing and acceptance of returned products according to the procedures. For products damaged by logistics and distribution, subsidiaries should take photos of the defective products upon acknowledgement of receipt and give feedback to the after-sales staff at once.

During the Year, there were no sold or delivered products recalled by the Group due to safety and health reasons.

CUSTOMER SERVICE MANAGEMENT

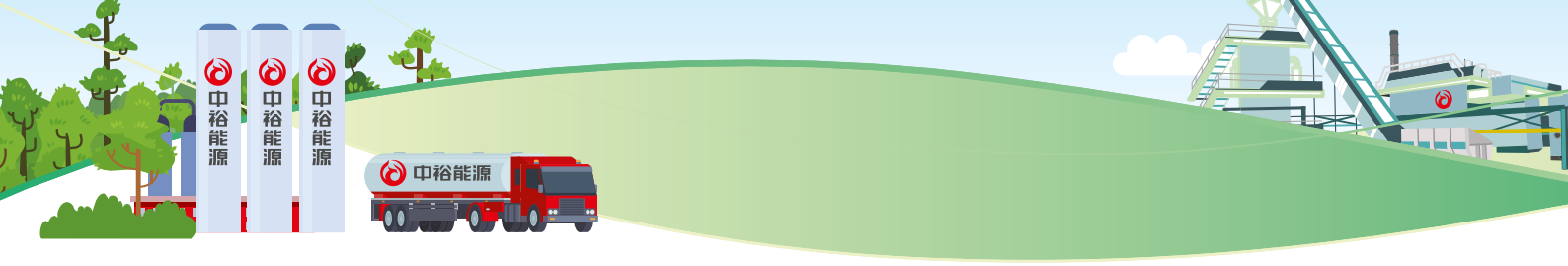
Zhongyu Energy is committed to meeting the expectations of customers of different businesses and constantly improving the service quality of staff through the formulation of *Customer Service Target Management Requirements, Complaint Management Measures, Guidelines on Safety Inspection Management for Residential Users, Guidelines on Rural Coal-to-Gas Customer Service Management, Customer Service Staff Etiquette Standards* and other service management systems.

Having been committed to listening to customers' needs, the Group has established a rigorous customer complaint handling mechanism and the Service Supervision Call Centre, by which users can provide feedback directly through the 24-hour hotline or to the operation management department. In addition, the Group has been taking initiatives to create a healthy business environment, and through various means of online platforms (such as online communities, WeChat official account) and publicity activities, to promote the Company's image.

The Group's Service Supervision Call Centre was officially launched in July 2021. Serving as a centralised software and hardware platform with high effectiveness and stability, the call centre would provide high-quality communication interface along with accurate and thoughtful services to nearly 5 million customers of various types of the Group. Upon receipt of a user's complaint, our customer service staff will refer it to the relevant department for arranging dedicated personnel to handle and respond to the customer within three days. In addition, the call centre has formulated a two-closed-loop service process for consultation and complaints according to different businesses, which can provide various services such as business consultation, recharge and payment, installation and commissioning, emergency repair and rescue to customers by cooperating with the marketing and customer service, safety operation and engineering technology departments of each subsidiary.

During the year, the Service Supervision Call Centre of the Group provided thoughtful service and online protection for 365 days a year. During the year, we received a total of 396 cases of complaint and request in relation to our products and services, all of which, immediately upon receipt, were transferred to dedicated staff members for handling until the completion of customer interview with time limit determined according to the degree of urgency, so as to fully ensure customer satisfaction. The content mainly involved the following three types. All departments actively handled various types of complaints and strengthened communication with customers to improve their satisfaction.

Complaint Resolution Rate	Customer Satisfaction
100%	92%



SAFETY OPERATION AND QUALITY MANAGEMENT

For the customer complaints and requests received in 2025, the Company categorized them into four major types based on business attributes. It implemented standardized handling methods for long-term improvement for each category of typical issues.

Types of Complaints	Primary Complaint/Request Focus	Handling and Improvement Methods
Gas Metering and Fees	• **Disputes over Metering:** Users question meter readings running excessively fast or displaying abnormal figures.. • **Billing Queries:** Users doubts regarding top-up card amounts and tiered gas pricing calculations.	✓ **On-site Verification:** Schedule visit appointments after receiving requests to conduct flame tests and meter calibrations, thereby addressing concerns with actual measurement data. ✓ **Bill Explanation:** Customer service staff review billing documents with users, explaining each charge one by one, including its composition and calculation logic, to users. ✓ **Error Refunds/Top-ups:** refunds or gas credits are granted once metering errors or billing system faults are confirmed upon verification.
Gas Supply and Services	• **Gas Supply Failures:** Wall-mounted boiler malfunctions, gas outages, or insufficient output during heating season. • **Service Timeliness:** Difficulty in putting a hotline call through, or technicians arriving late behind schedule. • **Special Requests:** Urgent gas connection is required upon moving homes, or assistance is requested by elderly residents failing to operate equipment.	✓ **Emergency Response:** Priority dispatch for urgent work orders such as gas outages or heating disruptions to ensure rapid resumption of gas supply. ✓ **Flexible Scheduling:** Provide extended service- hour visits (evenings/weekends) to accommodate time conflicts of users. ✓ **On-site Guidance:** Provide user with hands-on instruction, after repairs, on the right way to operate equipment and basic troubleshooting methods.
Construction and Engineering Management related	• **Pipe Relocation Requests:** Need to move pipes due to renovations, or dissatisfied with the aesthetics of the original plan. • **Coordination for Construction:** Scheduled time for construction conflicts with the renovation progress of user. • **Site Standards:** Inadequate post-construction site clean-up, leaving behind debris or stains.	✓ **Customized Solutions:** Technical staff conduct a second on-site inspection to optimize pipe routing while adhering to safety standards, ensuring aesthetic requirements are met. ✓ **Project Schedule Coordination:** Dedicated personnel liaise with owner of the renovating home and flexibly adjust the commencement gate and time to align with the overall renovation schedule. ✓ **Post-Construction Cleanup:** Mandate post-construction cleanup by the construction team and strictly enforce protective measures including laying matress during construction.
Value-added Business and Safety Education related	• **Marketing Disputes:** Users complain about being coerced or misled into taking gas insurance coverage. • **Product Perception:** Lack of comprehension regarding the functions of gas alarms or insurance coverage.	✓ **Verified Policy Cancellation:** For policies involving misleading sales practices or involuntary insurance contracted by user, unconditional cancellation is processed upon verification. ✓ **Standardized Description:** Strictly prohibit the use of coercive language; emphasize the "voluntary principle" to users. ✓ **Value Promotion:** Focus on explaining the product's safety and protection features to dispel user misconceptions about "unjustified charges".



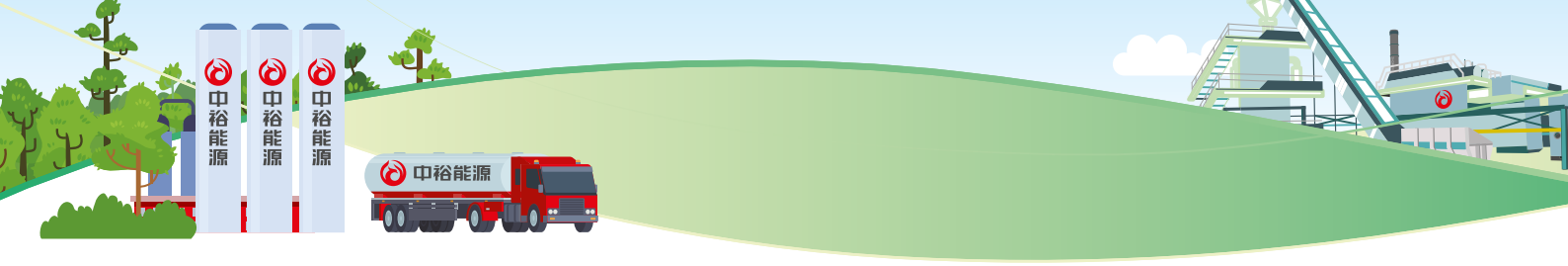
Looking ahead, Zhongyu Energy will continue deepening the operational reforms in the call center, developing a multi-dimensional, tiered complaint handling system. Concurrently, through special audit on services and closed-loop management of service shortcomings, we are committed to raising the Group's customer service quality to a new level.

CUSTOMER PRIVACY PROTECTION

The Group values the protection of customer privacy and strictly complies with *Personal Information Protection Law of the People's Republic of China* to ensure that all data must be collected, held, used and handled in a legal and prudent manner.

The management of the Group's customer data is jointly handled by the marketing department and the customer service department, which mainly includes overseeing the management of customer's documents by specified staff, and regularly reviewing the effectiveness of current measures and proposing improvement plans. In order to further enhance the standardization and efficiency of data management in the information system, the Group has established a number of internal management policies including the *Management Systems on Information System Security, Management Systems on Information System Requirement*, *Management Systems on Information System Operation and Maintenance*, and *Regulations on Basic Data Management and Maintenance*. These policies aim to meet the standardised management requirements for the integrity, standardisation and timeliness of basic data. In addition, the Group also regularly provides specific operational guidelines and professional training for employees to ensure that they adequately understand and strictly comply with relevant regulations and internal management measures.

The Group conducts reviews and internal audits on information systems on a regular basis to assess the implementation of the relevant controlling measures. Improvement measures will be promptly adopted once deficiencies are spotted. During the Year, the Group has not experienced any material customer data breaches and no material complaints in respect of customer privacy have been received.



COMMUNITY ENGAGEMENT

Zhongyu Energy has been committed to giving to the communities it serves by actively fulfilling corporate social responsibilities and creating long-term value for society. The Group remains attentive to the needs of all groups in society and has maintained close and positive relationships with the community. Over the years, the Group has been investing in public welfare initiatives and encourages employees to participate, upholding its mission of "developing clean energy and achieving a better life".

The Group actively organizes public welfare activities in environmental and educational sectors to help the underprivileged in society. These initiatives include charitable donations, financial assistance for underprivileged students, care for children with special needs, voluntary blood donation, and programmes supporting rural communities.

In addition, Zhongyu Energy conducts a variety of community outreach and advisory activities each year to promote gas safety knowledge among the public, enhance awareness of safe gas usage, and foster a strong culture of safety within communities. To support these outreach efforts, the Group has established the *Customer Service Communication Guidelines*, which set out detailed requirements for the content, methods and implementation frequency of promotional activities across subsidiaries. These guidelines aim to regularly strengthen residents' awareness of gas safety while enhancing the Group's reputation among government authorities and local communities. Furthermore, all subsidiaries are required to submit their service communication plans for the following year to the Group's customer Service department by 31 December each year for record-filing, ensuring that outreach activities are carried out in an orderly manner and are subject to continuous improvement.

In 2025, the Group has organized 543 charitable activities, with an accumulated servicing hours reaching 46,238 hours.

Entering school campuses

Through the "Gas Safety on Campus" initiative, the Group helps students deepen their understanding of gas safety. By adopting a "children-to-parents" approach, students are encouraged to involve their families, promoting collective participation. This ensures that "safe use of gas" and "scientific protection" become embedded in every household, turning students and parents alike into advocates for gas safety awareness.

Environmental safety

In order to widely advocate a simple, moderate, green and low-carbon lifestyle, Zhongyu actively organises and participates in environmental protection publicity activities, such as tree planting, garbage recycling, item-exchange programmes and community clean-ups, so that employees are induced and mobilised to actively engage in and contribute to ecological environmental protection. The Group will also organise activities such as gas pipeline safety walks, household safety inspections and special hazard-identification exercises to ensure the safe operation of the Company's pipeline network and safeguard stable and secure gas usage for all users.

Community education and engagement

Through community visits, distribution of safety manuals, leaflets and banners, as well as the use of safety information boards, advisory stations and mobile promotion vehicles, the Group educates users on safe gas usage through sharing case studies and addressing enquiries on site, creating a strong atmosphere of safety awareness within the community.

Charitable activities

To give back to the community and actively perform social responsibilities, the Group fully regulates the approval process and plans for social activities relating to charitable donations.

The Group has established a volunteering alliance, through which it actively organises various public welfare activities such as helping the elderly, the disabled, orphans, the disadvantaged, students and children with special needs. It also expands the alliance by attracting more social caring enterprises and charitable persons to join in.

SAFE USE OF GAS ON CAMPUS

Zhongyu Energy organised "Safe Use of Gas on Campus" activities to help teachers and students understand gas safety knowledge, and encouraged students to share gas safety knowledge with family members.



Wenxian Company launched
the "Safe Use of Gas on Campus" activity



Sihong Company launched
the"Safe Use of Gas on Campus" activity

COMMUNITY PROMOTION AND EDUCATION ACTIVITIES

Every year, all member companies of Zhongyu Energy actively participate in the "Safe Production Month" publicity and consultation day organised by local government departments, which aims to raise the awareness of safe use of gas among users at large, establish a good corporate image and create a safe and harmonious atmosphere for public gas use. At the campaign site, all companies set up consulting service counters, safety knowledge exhibition boards and safety banners, while relevant staff promote and share safety knowledge with the public through the distribution of gas safety manuals and colourful posters, on-site presentations and Q&A sessions.



The subsidiary in Yanshi organized gas
safety promotion campaign



Baishan organized gas safety promotion campaign

GOLDEN AUTUMN SCHOLARSHIP

Since its establishment by the subsidiary in Jiaozuo in 2006, the Caring Alliance has been cooperating with caring enterprises and persons from all sectors of society to sponsor a total of nearly 1,000 elementary, junior and high school students from disadvantaged families over the years. Many of the students have been receiving financial assistance since elementary school and approximately 200 students have enrolled in university. The Group has assisted students from underprivileged families in realizing their dreams of attending college for many years, demonstrating its commitment to charitable causes and social responsibilities.





2025 Golden Autumn Scholarship event of the subsidiary in Jiaozuo

CHARITY AND PUBLIC WELFARE

All member companies of Zhongyu Energy have been fulfilling their social responsibilities as utility companies through business operations over the years. They demonstrate their corporate commitments by securing safe and stable gas supply in their service territories and facilitating economic and social development. Meanwhile, Zhongyu Energy has remained relentless in promoting public welfare. All of its member companies have helped those in need and gained satisfaction by making charitable donations of funds and anti-epidemic supplies, supporting farmers through consumption, participating in pair-up aid program and assisting in flood relief to spread warmth across the community.



Tree Planting Day activity



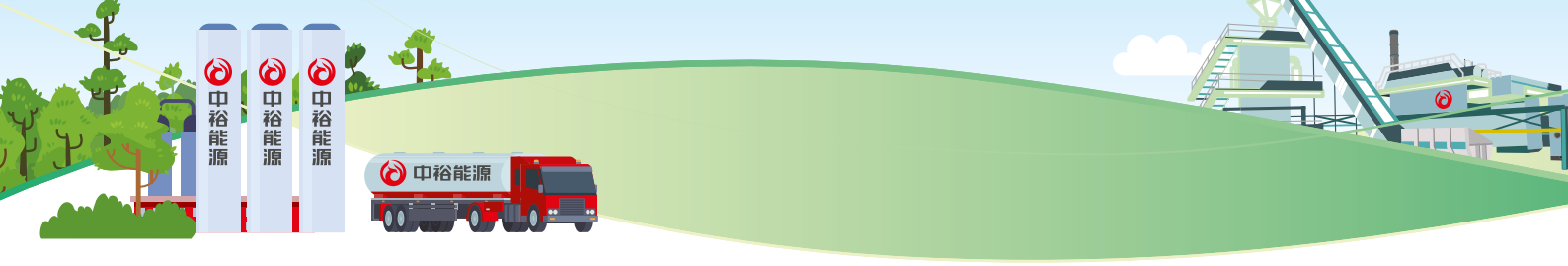
Seminar on high-temperature related knowledge



Double Ninth Festival Activities for the Elderly



Donations of heat stroke prevention supplies



INDEPENDENT ASSURANCE REPORT

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香港品質保證局

Independent Limited Assurance Report

To the Management of ZHONGYU ENERGY HOLDINGS LIMITED

1. Limited Assurance Conclusion

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") was engaged by ZHONGYU ENERGY HOLDINGS LIMITED ("the Company") to conduct an independent limited assurance engagement on the sustainability disclosures ("Sustainability Disclosures") presented in its Environmental, Social and Governance Report 2025 ("the Report") for the reporting period from 1 January 2025 to 31 December 2025 ("Reporting Period") and issue this Independent Assurance Report ("Assurance Report").

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions set out in Appendix A, nothing has come to our attention that causes us to believe that the Sustainability Disclosures are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code.

2. Engagement Overview

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company's internal use only. For reference, a generic version of Appendix A (which sets out the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities, and independence applicable to this engagement) is publicly available on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

3. Basis for Conclusion

HKQAA's assurance procedure was conducted in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements ("ISSA 5000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

A limited assurance engagement involves performing procedures that vary in nature and extent from those performed for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than that obtained in a reasonable assurance engagement.

In conducting this engagement, we confirm our independence from the Company. The engagement team performed the engagement in accordance with the HKQAA Code of Conduct. Based on the procedures performed and the evidence obtained, we consider the evidence sufficient and appropriate to form a basis for our conclusion.



4. Responsibilities for the Sustainability Disclosures

The Company's management is responsible for the preparation of the Sustainability Disclosures in accordance with the applicable reporting criteria, and for designing, implementing and maintaining such internal controls as it determines necessary to enable the preparation of Sustainability Disclosures that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

5. Responsibilities of the Engagement Team

Our responsibility is to plan and perform this engagement to obtain limited assurance about whether the Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue this Assurance Report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the decisions of users taken on the basis of the Sustainability Disclosures.

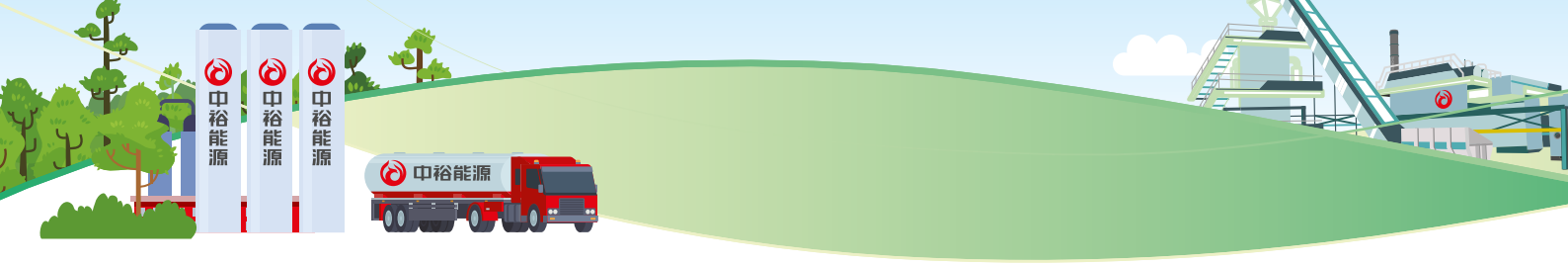
As part of this engagement, we exercise professional judgment and maintain professional skepticism, perform risk assessment procedures including obtaining an understanding of relevant internal controls (but not for the purpose of providing a conclusion on their effectiveness), and design and perform procedures responsive to assessed risks. As fraud is inherently more difficult to detect than unintentional error, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

6. Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgment, including the assessed risks of material misstatement, whether due to fraud or error.

Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.



INDEPENDENT ASSURANCE REPORT

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香港品質保證局

This Assurance Report is made solely for the use of ZHONGYU ENERGY HOLDINGS LIMITED and the users of its Environmental, Social and Governance Report 2025, and for use in accordance with the reporting criteria stated in Section 2 of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come.

The engagement leader on the assurance engagement resulting in this Assurance Report is KT Ting.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong Quality Assurance Agency

Hong Kong, PRC

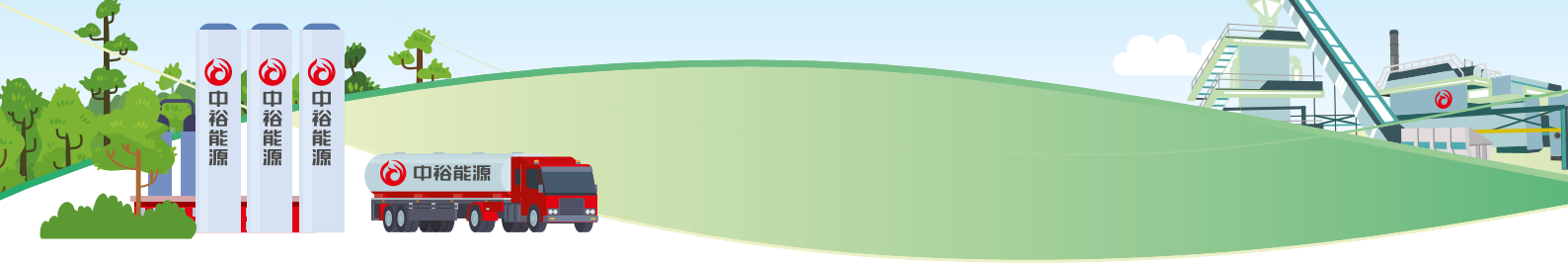
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APPENDIX I: OVERVIEW OF KEY PERFORMANCE INDICATORS

Environmental Performance

Key Environmental Performance Indicators		Unit	2025	2024
Air emission & Waste Generation	Nitrogen oxides	kg	**9,795.2**	11,346.5
	Particulate matter	kg	**394.8**	440.7
	Sulfur oxides	kg	**49.1**	51.6
	Total hazardous waste	Tonne	**2.2**	5.5
	Intensity of hazardous waste (in terms of the number of employees)	kg/person	**0.4**	1.1
	Non-hazardous waste	Tonne	**221.0**	94.7
	Intensity of non-hazardous waste (in terms of the number of employees)	kg/person	**43.5**	18.6
Energy consumption	Consumption of purchased electricity	MWh	**24,299.6**	22,950.9
	Gasoline	Tonne	**2,376.7**	2,580.3
	Diesel	Tonne	**95.1**	62.6
	LNG	Cubic meter	**2,434,635.0**	3,686,468.0
	LPG	Tonne	**0.0**	0.0
	Total energy consumption	GJ	**288,680.3**	339,943.4
	Intensity of energy consumption (in terms of the number of employees)	GJ/person	**56.8**	66.9
	Intensity of energy consumption intensity (in terms of the turnover)	GJ/HK$'000	**0.02**	0.03
Resource usage	Water consumption	Cubic meter	**99,208.8**	133,159.1
	Intensity of water consumption (in terms of the number of employees)	Cubic meter/person	**19.5**	26.2
	Paper products	Tonne	**42.2**	74.2
	Paper products recycled	Tonne	**3.5**	13.5



APPENDIX I: OVERVIEW OF KEY PERFORMANCE INDICATORS

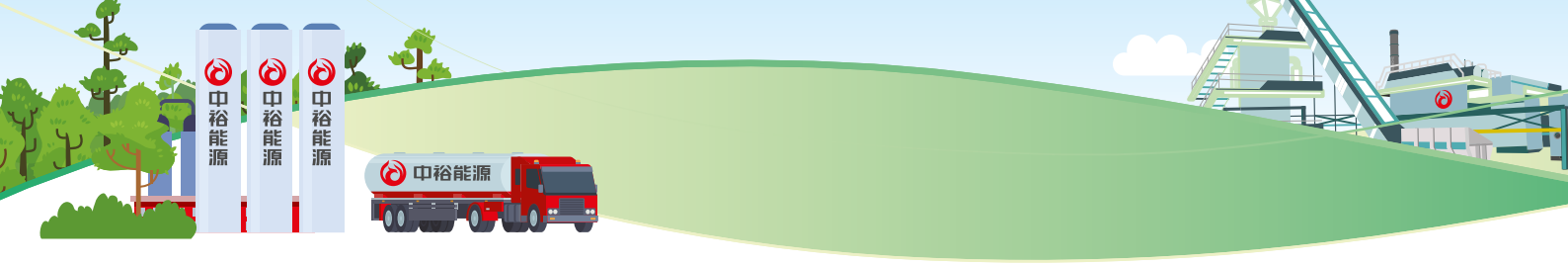
Key Environmental Performance Indicators		Unit	2025	2024
Greenhouse gas emission	Scope 1 – Direct greenhouse gas emission	Tonne of CO2 equivalent	**14,544.7**	15,995.7
	Scope 2 – Energy indirect greenhouse gas emission	Tonne of CO2 equivalent	**12,894.9**	12,318.2
	Total operational emissions (Scope 1+2)	Tonne of CO2 equivalent	**27,439.6**	28,313.9
	Intensity of operational emissions (in terms of the number of employees)	Tonne of CO2 equivalent/person	**5.4**	5.6
	Intensity of operational emissions (in terms of the turnover)	Tonne of CO2 equivalent/HK$'000	**0.002**	0.002
	Scope 3 – Other indirect greenhouse gas emissions	Tonne of CO2 equivalent	**8,911,830.5**	682.1
	Category 1: Purchased Goods and Services	Tonne of CO2 equivalent	**1,946,467.7**	57.9
	Category 2: Capital Goods	Tonne of CO2 equivalent	**3,857.1**	Not calculated
	Category 3: Fuel and Energy-Related Activities	Tonne of CO2 equivalent	**5,088.5**	Not calculated
	Category 4: Upstream transportation and distribution	Tonne of CO2 equivalent	**6.8**	Not calculated
	Category 5: Waste generated in operations	Tonne of CO2 equivalent	**81.9**	306.2
	Category 6: Business travel	Tonne of CO2 equivalent	**196.3**	318.0
	Category 7: Employee commuting	Tonne of CO2 equivalent	**705.8**	Not calculated
	Category 11: Use of sold products	Tonne of CO2 equivalent	**6,955,426.3**	Not calculated
	Total greenhouse gas emissions (Scope 1+2+3)	Tonne of CO2 equivalent	**8,939,270.1**	28,996.1
	Fugitive methane emission	Tonne	**4,751.1**	4,799.2



SOCIAL PERFORMANCE

Number of Employees		Unit	2025	2024
Total number of employees		Person	**5,080**	5,146
By geographical region	Chinese Mainland	Person	**5,068**	5,132
	Hong Kong	Person	**12**	14
By gender	Male	Person	**3,375**	3,404
	Female	Person	**1,705**	1,742
By employment type	Full-time	Person	**4,935**	4,917
	Part-time	Person	**145**	229
By age	30 years old and under	Person	**1,110**	1,226
	Between 31-40 years old	Person	**2,211**	2,162
	Between 41-50 years old	Person	**1,205**	1,204
	Over 50 years old	Person	**554**	554
By position level	Senior management	Person	**283**	291
	Middle management	Person	**555**	636
	General employees	Person	**4,242**	4,219

Employee Turnover Rate		Unit	2025	2024
By geographical region	Chinese Mainland	Percentage	**4.1**	4.5
	Hong Kong	Percentage	**7.7**	0.0
By gender	Male	Percentage	**4.8**	5.3
	Female	Percentage	**2.9**	3.0
By age	30 years old and under	Percentage	**8.6**	6.4
	Between 31-40 years old	Percentage	**3.0**	4.1
	Between 41-50 years old	Percentage	**1.8**	2.7
	Over 50 years old	Percentage	**4.7**	6.0



APPENDIX I: OVERVIEW OF KEY PERFORMANCE INDICATORS

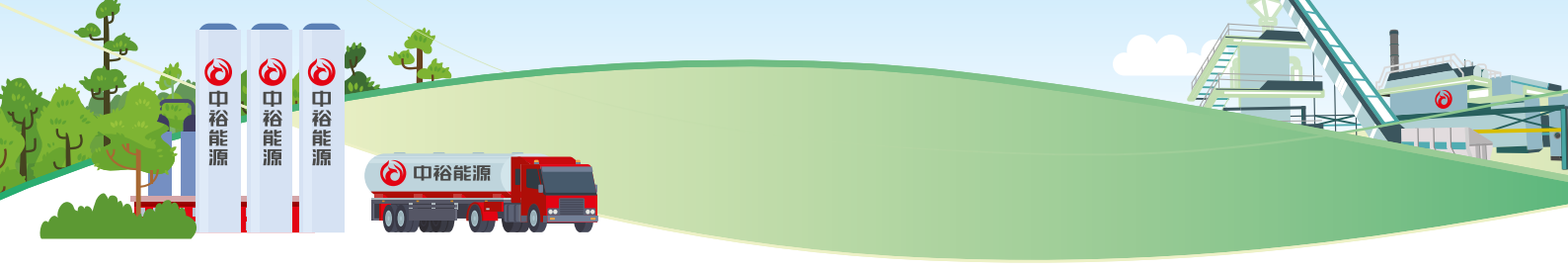
Training and Development		Unit	2025	2024
Total number of trained employees		Person	**5,021**	5,083
By gender	Number of male employees trained	Person	**3,357**	3,384
	Number of female employees trained	Person	**1,664**	1,699
By position level	Number of senior management trained	Person	**283**	290
	Number of middle management trained	Person	**554**	636
	Number of general employees trained	Person	**4,184**	4,157
Average training hours of employees		Hour	**56.7**	55.9
By gender	Average training hours of male employees	Hour	**56.7**	55.7
	Average training hours of female employees	Hour	**56.6**	56.3
By position level	Average training hours of senior management	Hour	**54.6**	58.6
	Average training hours of middle management	Hour	**71.6**	58.7
	Average training hours of general employees	Hour	**54.9**	55.3
Average employee training percentage		Percentage	**98.8**	98.8
By gender	Training percentage of male employees	Percentage	**99.5**	99.4
	Training percentage of female employees	Percentage	**97.6**	97.5
By position level	Training percentage of senior management	Percentage	**100**	99.7
	Training percentage of middle management	Percentage	**99.8**	100
	Training percentage of general employees	Percentage	**98.6**	98.5



Health and Safety	Unit	2025	2024
Total work injury cases	Case	**1**	1
Number of work-related fatalities	Number	**0**	0
Number of work-related injuries	Case	**0**	0
Lost days due to work injury	Day	**40**	10
Occupational health and safety sick leave due to extreme weather event	Number	**0**	0
Employee sick leave due to extreme weather	Day	**0**	0

Anti-corruption	Unit	2025	2024
Number of concluded legal cases regarding corrupt practices brought against the Group during the reporting period	Case	**0**	0
Number of concluded legal cases regarding corrupt practices brought against the employees of the Group during the reporting period	Case	**0**	0
Number of senior management receiving trainings related to anti-corruption	Person	**283**	275
Number of middle management receiving training related to anti-corruption	Person	**554**	488
Number of general employees receiving training related to anti-corruption	Person	**47**	486

Number of suppliers	Unit	2025	2024
Hong Kong	Number	**7**	7
Chinese Mainland	Number	**73**	173



APPENDIX II: SCOPE AND METHODOLOGY OF GREENHOUSE GAS ACCOUNTING

The Group employs the operational control approach to define organizational boundaries, incorporating projects under its operational control into the greenhouse gas accounting scope. The greenhouse gas accounting protocol for this report adheres to the following international standards and technical guidelines to ensure data compliance and comparability:

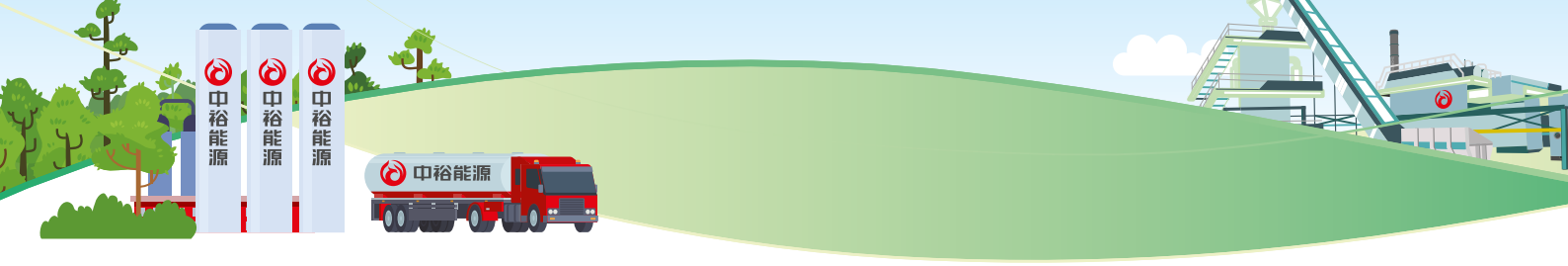
- *2006 IPCC Guidelines for National Greenhouse Gas Inventories* and its 2019 Refinement
- *The GHG Protocol: Corporate Accounting and Reporting Standard*
- *The GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard*
- *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong*
- Global Warming Potential (GWP) adopted from the 100-year time horizon data in the *IPCC Sixth Assessment Report* (AR6)

The biomass projects owned by the Group are currently in the stage of technical commissioning, at which the measurement accuracy of the data of activities, such as calorific values and burning rates, does not meet audit's requirement. Based on the principle of data integrity, they are temporarily excluded from the scope of audit and disclosures. Once the data systems are mature, the Group will start to disclose the relevant Scope 1 data and separately disclose biogenic emissions data in subsequent years.

Greenhouse Gas Emission Categories	Emission Source Description	Methodology and Activity Data
Scope 1 (Direct Greenhouse Gas Emissions)	• Use of fossil fuels in stationary equipment (e.g., boilers, generators) and operational vehicles • Use of refrigerants and fire extinguishing agents	• Activity Data Approach • Emission factor sources: IPCC Guidelines for National Greenhouse Gas Inventories, Guidelines for Provincial Greenhouse Gas Inventories (2025)
Scope 2 (Energy Indirect Greenhouse Gas Emissions)	• Consumption of purchased electricity from external power suppliers	• Activity Data Approach • As the Group did not hold any energy attribute certificates (e.g., Green Electricity Certificate) during the reporting period, the same emission factor was used for both "market-based" and "location-based" methods in Scope 2 calculations • Emission factor sources: Emission factor of electricity used by Hong Kong Electric in 2024, average emission factor of electricity in China (2023)



Greenhouse Gas Emission Categories	Emission Source Description	Methodology and Activity Data
Scope 3 (Other Indirect Greenhouse Gas Emissions)		
Category 1: Purchased goods and services	• Upstream extraction, processing, and production of natural gas used for resale • Procurement of equipment, materials, office supplies, and outsourced services required for operations	• Expenditure Approach and Activity Data Approach • Emission factor sources: US Environmental Extension Input-Output Model (USEEIO) emission factors, Zero Carbon Lab upstream emission factors of natural gas in China (2024), China Product Life Cycle Greenhouse Gas Emission Coefficient (2022)
Category 2: Capital Goods	• Embodied carbon from fixed asset investments in construction materials, equipment, machinery, and vehicles for new projects	• Expenditure Approach and Activity Data Approach • Emission factor sources: US Environmental Extended Input-Output Model (USEEIO) emission factors, China Product Life Cycle Greenhouse Gas Emission Coefficient (2022)
Category 3: Fuel and Energy-Related Activities	• Upstream production for self-consumed fuels and electricity • Power generation processes for resale electricity and transmission/distribution losses	• Activity Data Approach • Emission factor sources: IPCC Guidelines for National Greenhouse Gas Inventories, IEA Emission Factor Database
Category 4: Upstream Transportation and Distribution	• Transportation services for retail products and after-sales accessories provided by third-party logistics companies (to end customers) Note: Emissions from third-party transportation of natural gas and major materials procured by the Group are already included in Life Cycle Emission Coefficient in Category 1 and are therefore not double-counted here.	• Activity Data Approach • Emission factor source: Carbon footprint per parcel used by SF Express and YTO Express (2024)
Category 5: Waste Generated in Operations	• Downstream disposal and treatment of waste and domestic sewage generated in project operations	• Activity Data Approach • Emission factor source: China Product Life Cycle Greenhouse Gas Emission Coefficient (2022)
Category 6: Business Travel	• Air travel activities undertaken by employees for business purposes	• Activity Data Approach/Distance Approach • Emission factor source: International Civil Aviation Organization Carbon Emissions Calculator



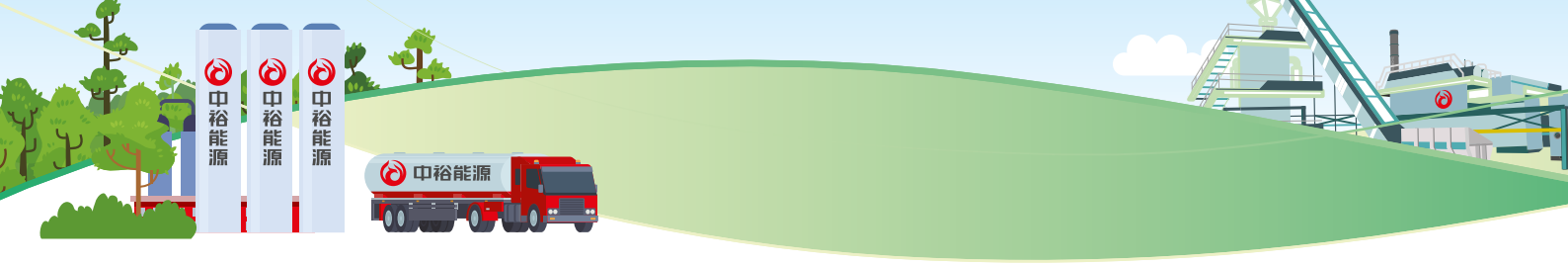
APPENDIX II: SCOPE AND METHODOLOGY OF GREENHOUSE GAS ACCOUNTING

Greenhouse Gas Emission Categories	Emission Source Description	Methodology and Activity Data
Category 7: Employee Commuting	• Daily commuting by employees using various modes of transportation, including private vehicles, company shuttle buses, public buses, and subways, to and from the workplace	• Activity Data Approach/Distance Approach • Emission factor source: China Product Life Cycle Greenhouse Gas Emission Coefficient (2022)
Category 11: Use of Sold Products	• Combustion use of sold natural gas by customers Note: Emissions from electricity sold by charging station operations have been accounted for under Category 3.	• Activity Data Approach • Emission factor sources: Guidelines for Provincial Greenhouse Gas Inventories (2025), Corporate Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Power Generation Facilities
Excluded categories in Scope 3 calculations and the reasons why they are inapplicable		
Category 9: Downstream Transportation and Distribution	The Group's principal product sold is natural gas. Revenus from offline retail operations accounts for an extremely low proportion, and customers' actual consumption path cannot be accurately tracked. Based on the principle of materiality and cost-effectiveness on data collection, the Group temporarily excludes this from Scope 3 calculations for the Year.	
Category 8: Upstream Leased Assets	The Group does not operate any leased assets. This category is therefore not applicable.	
Category 10: Processing of Sold Products	The Group's principal products sold are natural gas, electricity, and thermal energy, all of which are final energy products not subject to further processing. Retail products are also sold as finished products, rendering this category inapplicable.	
Category 12: End-of-life disposal of sold products	The Group's principal products sold are natural gas, electricity, and thermal energy, which are consumed during the usage phase (Category 11) and do not generate physical waste. Revenue from retail operations accounts for an extremely low proportion, and the recycling rate for associated metal products is high. Based on the principle of materiality, this category is temporarily excluded from Scope 3 calculations for the Year.	
Category 13: Downstream leased assets	The Group does not have any downstream leased assets, thus this category is not applicable.	
Category 14: Franchises	The Group's business model primarily involves direct operation or management through holding companies. There are currently no significant emissions attributable to the Group as a franchisor. This category is therefore not applicable.	
Category 15: Investments	For certain investment projects not under the Group's operational control, as the Group holds only financial interests and the data acquisition remains challenging, based on the feasibility and cost-effectiveness of obtaining information at present, this category is temporarily excluded from Scope 3 calculations for the current year.	



APPENDIX III: "ESG REPORTING CODE" CONTENT INDEX

Subject Areas	Description	Relevant Section/ Description	Page
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	Climate Change, Environmental Protection	17-36, 37-43
A1.1	The types of emissions and respective emissions data	Environmental Protection, Overview of Key Performance Indicators	37-43, 81-85
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection, Key Performance Indicators Overview	37-43, 81-85
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection, Overview of Key Performance Indicators	37-43, 81-85
A1.5	Description of emission target(s) set and steps taken to achieve them.	Climate Change, Environmental Protection Although the Group has not yet established quantitative targets, it has implemented relevant management measures and monitoring indicators, and will consider setting such targets in the future.	17-36, 37-43
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.	Environmental Protection Although the Group has not yet established quantitative targets, it has implemented relevant management measures and monitoring indicators, and will consider setting such targets in the future.	37-43

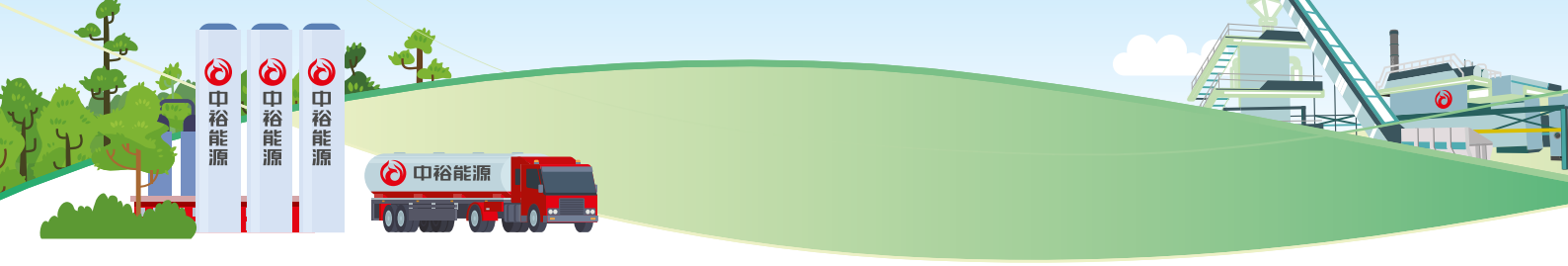


APPENDIX III: "ESG REPORTING CODE" CONTENT INDEX

Subject Areas	Description	Relevant Section/ Description	Page
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection	37-43
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).	Environmental Protection, Overview of Key Performance Indicators	37-43, 81-85
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Protection, Overview of Key Performance Indicators	37-43, 81-85
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection Although the Group has not yet established quantitative targets, it has implemented relevant management measures and monitoring indicators, and will consider setting such targets in the future.	37-43
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.	Environmental Protection Although the Group has not yet established quantitative targets, it has implemented relevant management measures and monitoring indicators, and will consider setting such targets in the future.	37-43



Subject Areas	Description	Relevant Section/ Description	Page
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	All products sold by Zhongyu (such as stoves) are packaged finished products purchased directly from third parties. Zhongyu's own business does not include the production and packaging of these products nor does it separately calculate and count the quantity and weight of product packaging. This key performance indicator is therefore not applicable.	–
A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Protection	37-43
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection	37-43
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.	People-Oriented	44-59
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People-Oriented, Overview of Key Performance Indicators	44-59, 81-85
B1.2	Employee turnover rate by gender, age group and geographical region	People-Oriented, Overview of Key Performance Indicators	44-59, 81-85

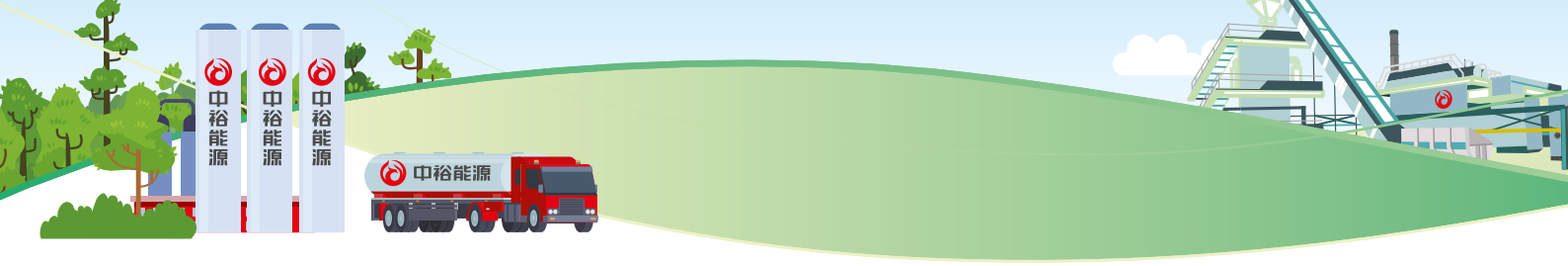


APPENDIX III: "ESG REPORTING CODE" CONTENT INDEX

Subject Areas	Description	Relevant Section/ Description	Page
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.	Safety Operation and Quality Management	60-73
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safety Operation and Quality Management, Overview of Key Performance Indicators	60-73, 81-85
B2.2	Lost days due to work injury	Safety Operation and Quality Management, Overview of Key Performance Indicators	60-73, 81-85
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safety Operation and Quality Management	60-73
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-Oriented	44-59
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Overview of Key Performance Indicators	81-85
B3.2	The average training hours completed per employee by gender and employee category.	People-Oriented, Overview of Key Performance Indicators	44-59, 81-85
B4 Labor 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.	People-Oriented	44-59
B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-Oriented	44-59



Subject Areas	Description	Relevant Section/ Description	Page
B4.2	Description of steps taken to eliminate such practices when discovered.	People-Oriented The Group strictly safeguards the bottom line of compliance and has no tolerance for such violations. Violators will face internal disciplinary actions, and will be referred to legal authorities for legal actions in serious cases.	44-59
B5 Supply Chain Management			
General Disclosure	Policy for managing environmental and social risks in the supply chain.	Safety Operation and Quality Management	60-73
B5.1	Number of suppliers by geographical region	Overview of Key Performance Indicators	81-85
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.	Safety Operation and Quality Management	60-73
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Safety Operation and Quality Management	60-73
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Safety Operation and Quality Management The Group has not yet maintained the independent green procurement policy. During procurement process, the Group will comprehensively consider the environmental impacts of products and services as well as other factors, provided that the requirements of quality, safety and costs are met.	60-73

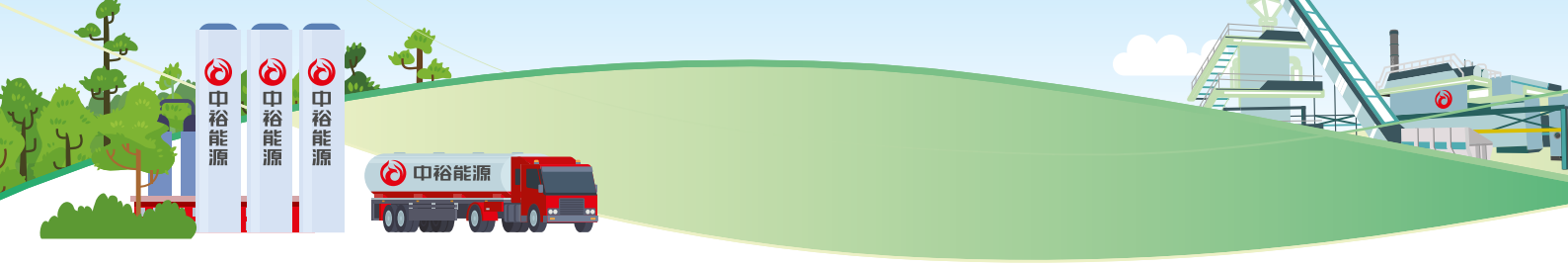


APPENDIX III: "ESG REPORTING CODE" CONTENT INDEX

Subject Areas	Description	Relevant Section/ 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.	Safety Operation and Quality Management As the Group's products and services do not involve extensive advertising and labelling, the Group does not have relevant policies in place.	60-73
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Safety Operation and Quality Management	60-73
B6.2	Number of products and service related complaints received and how they are dealt with.	Safety Operation and Quality Management	60-73
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Safety Operation and Quality Management	60-73
B6.4	Description of quality assurance process and recall procedures.	Safety Operation and Quality Management	60-73
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Safety Operation and Quality Management	60-73
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.	People-Oriented	44-59
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.	People-Oriented, Overview of Key Performance Indicators	44-59, 81-85
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	People-Oriented	44-59
B7.3	Description of anti-corruption training provided to directors and staff.	People-Oriented	44-59



Subject Areas	Description	Relevant Section/ Description	Page
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.	Community Engagement	74-77
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement	74-77
B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement	74-77
D.I Climate-related Disclosures – Governance			
Paragraph 19	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities; (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Respond to Climate Change, Sustainability Governance	17-36, 10-13
D.II Climate-related Disclosures – Strategy			
Paragraph 20	Climate-related risks and opportunities	Respond to Climate Change	17-36
Paragraph 21	Business model and value chain	Respond to Climate Change	17-36
Paragraphs 22 to 23	Strategy and decision-making	Respond to Climate Change	17-36
Paragraph 24	Financial position, financial performance, and cash flows (current financial effect)	Respond to Climate Change	17-36
Paragraph 25	Financial position, financial performance, and cash flows (anticipated financial effect)	Due to high level of uncertainty in quantitative assessments and limitations in existing professional capabilities and resources, the Group has applied Capabilities Relief to defer disclosure of quantitative information. Currently, the Group is collaborating with third-party consultant firms to develop financial quantification models, with a view to enhancing future disclosures.	–

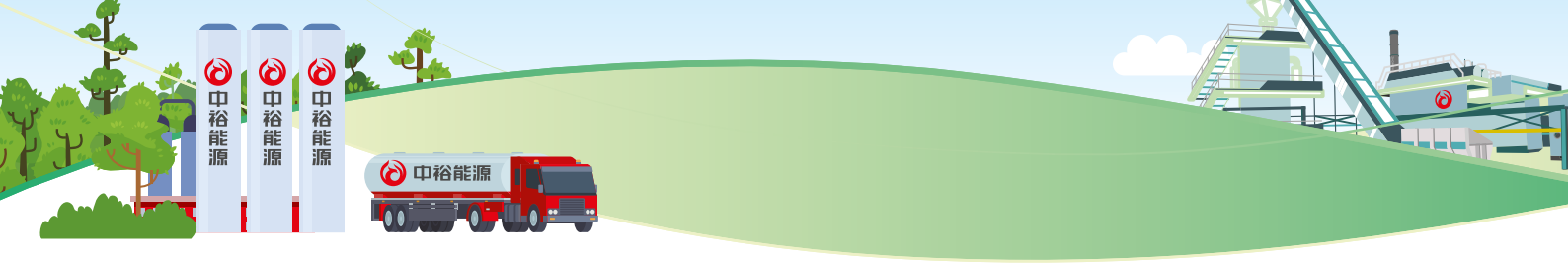


APPENDIX III: "ESG REPORTING CODE" CONTENT INDEX

Subject Areas	Description	Relevant Section/ Description	Page
Paragraph 26	Climate resilience	Due to high level of uncertainty in climate scenario analysis and limitations in existing professional capabilities and resources, the Group has applied Capabilities Relief to defer disclosure. Currently, the Group is collaborating with third-party consultant firms to refine climate scenario analysis framework, with a view to enhancing future disclosures.	–
D.III Climate-related Disclosures – Risk Management			
Paragraph 27	Risk Management	Respond to Climate Change, Sustainability Governance	17-36, 10-13
D.IV Climate-related Disclosures – Metrics and Targets			
Paragraphs 28 to 29	Greenhouse Gas Emissions	Respond to Climate Change, Overview of Key Performance Indicators, Scope and Methodology of Greenhouse Gas Accounting	17-36, 81-85 86-88
Paragraph 30	Climate-related transition risks	Regarding the specific amounts and percentages of affected assets, the Group has deferred disclosure by applying Reasonable Information Relief based on the principle of "without undue cost or effort". Currently, the Group is collaborating with third-party consultant firms to develop relevant quantification models	–



Subject Areas	Description	Relevant Section/ Description	Page
Paragraph 31	Climate-related physical risks	Regarding the specific amounts and percentages of affected assets, the Group has deferred disclosure by applying Reasonable Information Relief based on the principle of "without undue cost or effort". Currently, the Group is collaborating with third-party consultant firms to develop relevant quantification models	–
Paragraph 32	Climate-related opportunities	Respond to Climate Change The Group considers its smart energy business as a key climate opportunity to drive low-carbon transformation. This report has disclosed the revenue contribution from the aforementioned business. Please refer to the Group's 2025 Annual Report for specific figures.	17-36
Paragraph 33	Capital deployment	Respond to Climate Change	17-36
Paragraph 34	Internal carbon prices	The Group has not yet implemented an internal carbon pricing mechanism.	–
Paragraph 35	Remuneration	The Group has not yet linked climate-related metrics to remuneration.	–



APPENDIX III: "ESG REPORTING CODE" CONTENT INDEX

Subject Areas	Description	Relevant Section/ Description	Page
Paragraph 36	Industry-based metrics	Overview of Key Performance Indicators The Group has disclosed fugitive methane emissions and other key environmental data in this Report. Please refer to the Group's annual report for operational activity metrics such as the total number of customers, sales volume of gas, and pipeline length of transmission and distribution network.	81-85
Paragraphs 37 to 40	Climate-related targets	Although the Group has not yet set quantitative targets, its proactive and effective emission reduction initiatives have resulted in a decline in total operational emissions for three consecutive years, demonstrating ongoing progress in emission reduction efforts.	–
Paragraph 41	Applicability of cross-industry metrics and industry-based metrics	In preparing the disclosures, the Group has considered the applicability of cross-industry metrics and industry-based metrics by referring to the industry standards for gas utilities and distributor sector under *IFRS S2 Industry-based Disclosure Guidnace.*	–

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