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

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

SUPPLEMENTAL ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS IN RELATION TO (1) THE LNG PURCHASE AGREEMENTS AND (2) THE LNG SALES AGREEMENTS

Reference is made to the announcement of the Company dated 20 April 2026 (the "**Announcement**") in relation to the LNG Purchase Agreements and LNG Sales Agreements. Unless otherwise defined, the capitalized terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information contained in the Announcement, the Board hereby provides further information on the transactions conducted under the LNG Purchase Agreements and LNG Sales Agreements.

PRICING POLICY AND PROCEDURE UNDER THE LNG PURCHASE AGREEMENTS AND THE LNG SALES AGREEMENTS

As disclosed in the Announcement, the LNG price shall be determined based on the prevailing market price of LNG.

In determining whether the LNG price offered by the counterparty in the LNG Purchase Agreements was the market price and whether it was fair and reasonable, the Group had reference to the following market indicators:

(i) the LNG ex-factory price index (LNG 出廠價格指數) in the relevant regions/provinces published by the Shanghai Petroleum and Natural Gas Exchange* (上海石油天然氣交易中心), which is a reputable energy trading platform established with the approval of the Shanghai Municipal People's Government under the direct guidance of the National Development and Reform Commission and the National Energy Administration;

(ii) the LNG price data published by reputable commodity data service providers in the PRC such as oilchem.net (隆眾資訊), and SCI99.com (卓創資訊) which is maintained by Sublime China Information Co., Ltd., a company listed on the Shenzhen Stock Exchange with stock code 301299;

(iii) the landed prices of imported LNG (進口LNG 到岸價格) published by the General Administration of Customs of the PRC;

(iv) the gas transaction guidance prices published by the relevant authorities in major LNG consumption provinces and regions in the PRC; and/or

(v) the spot listing prices (現貨掛牌價) at major domestic LNG factories.

The relevant Group members, also acting as LNG Suppliers themselves, were well-positioned to understand the prevailing LNG market conditions and knew whether an upstream purchase price reflected the market price at the time of procurement.

Before entering into the purchase transactions under the LNG Purchase Agreements, the Group would consider the LNG unloading location(s) as specified by its downstream customers, transportation costs, and the stability of LNG supply in order to match the optimal gas source to its downstream customers. The Group would then determine whether to accept the LNG price offered by the relevant LNG Suppliers based on LNG price data from public available market indicators as listed above. When multiple gas sources with similar LNG price were available, the Group would adopt the lowest cost principle and picked the upstream gas supplier with the lowest "transportation cost + gas source price".

In determining the LNG price for the transactions conducted under the LNG Sales Agreements, the relevant Group members adopted a "cost-plus" approach and took into account the following factors:

(i) the purchase cost of the LNG from their upstream LNG suppliers (i.e LNG plants in the relevant regions);

(ii) the cost for transporting the LNG to its customers via LNG tank trucks and tax charged by the relevant government authorities (if applicable); and

(iii) the Group's profit margin, which was consistent with pricing and commercial practices generally adopted by Independent Third Party peers in the PRC LNG market. In light of the high transparency of the PRC LNG market and the degree of marketization, there are limited opportunities for significant mark-ups. Accordingly, the profit margin in practice operates more as a residual rather than a major driver of pricing.

Accordingly, in general, the relevant Group members would proceed with the LNG sales transactions so long as the selling price sufficiently covers (i) the gas procurement cost, (ii) transportation cost and tax (if applicable), and (iii) the applicable profit margin at a level comparable to the historical profit margin typically achieved by the Group and its peers.

INTERNAL CONTROL PROCEDURES UNDER THE LNG PURCHASE AGREEMENTS AND THE LNG SALES AGREEMENTS

In order to ensure that the LNG price is no less favourable than similar transactions conducted between the Company and Independent Third Parties, the Company has implemented the following procedures and methods:

(i) The LNG trading market in the PRC is highly market driven and the LNG market price is transparent as there are many publicly available data sources to track the LNG market price. The Group adheres to a market-based pricing mechanism to ensure that all transaction prices are open and transparent. The LNG price for each LNG transaction shall be first suggested by the business department in the relevant Group member based on publicly available market indicators, reviewed by the finance and risk management department to assess the cost and risk of the relevant LNG transaction, and be submitted to the Pricing Committee (which comprises all directors, senior management and mangers of the business department in the relevant Group member) for approval to ensure that the LNG price is aligned with the prevailing market price and have taken into account the costs involved (mainly the procurement costs of the LNG and transportation costs); and

(ii) The Group has also established a benchmarking mechanism to verify transaction prices against publicly available market indicators on a monthly basis.

As the Group acted as both LNG Supplier and LNG Purchaser and continually observed and calibrated against observable market indicators, the relevant Group members could readily assess whether the LNG selling price (where the Group member acted as the LNG Supplier) and the LNG purchase price (where the Group member acted as the LNG Purchaser) was market-based.

In respect of transactions conducted under the LNG Purchase Agreements, the relevant Group member obtained at least three quotations from LNG suppliers (including at least one to two Independent Third Party LNG suppliers) for comparison to ensure the LNG price offered by the connected person is not less favourable than that offered by Independent Third Party.

In respect of transactions conducted under the LNG Sales Agreements, the Group strictly enforced a uniform "cost-plus" pricing policy for all customers (whether or not they are connected persons). Connected person counterparties (including Hongda, Shunda and Shunan Storage at the relevant time) did not enjoy any separate pricing policy or special preferential treatment (e.g a lower profit margin). The contract terms, the pricing policies and procedures as elaborated above and price adjustment mechanisms for Independent Third Party customers were entirely consistent with those for connected persons.

Based on the above methods and procedures, and in light of the transparency of LNG price in the PRC (considering that many data sources are publicly available to track the LNG market price as explained above), the Group could ensure that the LNG sale or purchase transactions were conducted on terms no less favourable than similar transactions conducted between the Company and Independent Third Parties.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE LNG PURCHASE AGREEMENTS AND THE LNG SALES AGREEMENTS

As disclosed in the Announcement, it is common practice that market participants in the LNG industry engage in trading among themselves for various reasons set out therein. In particular, in the PRC LNG industry, it is because:

(i) **Regional price differences and response to changing supply and demand:** There are price differences in LNG between different regions in the PRC as the LNG price is influenced by where demand is located which are affected by, among others, the population distribution, end-user profiles (residential vs industrial) and seasonality (which affects regional consumption timing and magnitude).

Because regional demand and price of LNG can change quickly and different trading companies may have competitive advantages in different regions through, for example, established long-term relationships with the local LNG plants and/or priority access to LNG supply, it is common in the LNG industry that LNG trading companies purchase LNG at a lower price from a particular region from their peers and simultaneously (or within a short window) re-sell the LNG to their peers in a different region with higher price and demand in order to dynamically match supply and demand, earn the price difference and improve overall resource utilisation, and to avoid LNG supply shortages caused by temporary spikes in demand in a particular region while effectively redirecting LNG surplus in another region to the region in need.

(ii) **Logistics optimization:** The LNG plants and end users (such as power plants, gas refuelling stations and city gas users) are scattered across the country, therefore it is not uncommon for LNG trading companies like the relevant Group members to conduct transactions with related parties in the same industry in nearby regions so as to shorten transport distances for a more efficient response to market demand fluctuations and reduced logistics and transaction costs.

(iii) **High degree of marketization:** The natural gas market in the PRC is increasingly shifting toward full competition between pipeline gas and LNG, with a diverse range of market participants. The role of many LNG trading companies is to facilitate efficient intermediate trading of LNG as many of them do not have downstream end-users (such as power plants, refuelling stations or city gas users) of their own.

Therefore, it was not uncommon for PRC LNG trading companies to conduct LNG purchases and sales with the same counterparty, sometimes even within a short timeframe.

Save as disclosed in this supplemental announcement, all information set out in the Announcement remains unchanged.

* *For identification purpose only*

By order of the Board
Zhongyu Energy Holdings Limited
Wang Wenliang
Chairman

Hong Kong, 28 May 2026

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