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SINO GAS HOLDINGS GROUP LIMITED

中油潔能控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1759)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

BUSINESS HIGHLIGHTS

During the year, the sales volume of liquefied petroleum gas increased by approximately 43.6% to approximately 449.4 thousand tonnes (2024: approximately 313.0 thousand tonnes), the sales volume of compressed natural gas decreased by approximately 5.6% to approximately 43.7 million cubic metres (2024: approximately 46.3 million cubic metres) and the sales volume of liquified natural gas increased by approximately 380.0% to approximately 14.4 thousand tonnes (2024: approximately 3.0 thousand tonnes).

During the year, the revenue increased by approximately 34.1% to approximately RMB2,191.6 million (2024: approximately RMB1,634.1 million).

During the year, the gross profit decreased by approximately 26.3% to approximately RMB39.2 million (2024: approximately RMB53.2 million).

During the year, the loss increased by approximately RMB17.6 million, resulting in a loss of approximately RMB35.4 million (2024: a loss of approximately RMB17.8 million). After deducting non-recurring gains and losses, the net loss for the year was approximately RMB18.3 million.

During the year, the loss attributable to equity shareholders of the Company increased by approximately RMB13.7 million, resulting in a loss of approximately RMB26.1 million (2024: a loss of approximately RMB12.4 million).

THE FINANCIAL STATEMENTS

The board (the “**Board**”) of directors (the “**Directors**”) of Sino Gas Holdings Group Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”, “**Our Group**”, “**we**” or “**us**”) for the year ended 31 December 2025, together with comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	4	2,191,628	1,634,113
Cost of sales		<u>(2,152,384)</u>	<u>(1,580,943)</u>
Gross profit		39,244	53,170
Other income	5	23,090	18,396
Staff costs		(29,576)	(29,954)
Depreciation on property, plant and equipment and right-of-use assets		(13,428)	(11,595)
Short-term lease charges		(1,447)	(623)
Other operating expenses		(21,993)	(31,221)
Finance costs	6	(13,908)	(10,956)
Provision for impairment loss on property, plant and equipment		(10,752)	(164)
Provision for impairment loss on interest in associate		(4,353)	–
Reversal of (provision for) impairment loss on trade and other receivables		3,830	(1,415)
Written-off of property, plant and equipment		(4,436)	–
Share of result of associates		(88)	(1)
Share of result of a joint venture		<u>(52)</u>	<u>(1,718)</u>
Loss before taxation	7	(33,869)	(16,081)
Income tax expenses	8	<u>(1,506)</u>	<u>(1,703)</u>
Loss for the year		<u>(35,375)</u>	<u>(17,784)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

For the year ended 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Other comprehensive (loss) income:			
<i>Item that will not be reclassified to profit or loss</i>			
Exchange difference on translation of the Company's financial statements		(4,118)	3,620
<i>Item that are reclassified or may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of functional currency to presentation currency		<u>2,330</u>	<u>(4,591)</u>
Other comprehensive loss for the year		<u>(1,788)</u>	<u>(971)</u>
Total comprehensive loss for the year		<u>(37,163)</u>	<u>(18,755)</u>
Loss for the year attributable to:			
Equity holders of the Company		(26,058)	(12,363)
Non-controlling interests		<u>(9,317)</u>	<u>(5,421)</u>
Loss for the year		<u>(35,375)</u>	<u>(17,784)</u>
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		(27,846)	(13,334)
Non-controlling interests		<u>(9,317)</u>	<u>(5,421)</u>
Total comprehensive loss for the year		<u>(37,163)</u>	<u>(18,755)</u>
		<i>RMB cents</i>	<i>RMB cents</i>
Loss per share			
Basic and diluted	9	<u>(12.06)</u>	<u>(5.72)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		60,456	84,552
Right-of-use assets		17,448	19,941
Interest in associates		11,292	14,925
Interest in a joint venture		8,870	8,922
Financial assets measured at fair value through profit or loss		24,654	24,301
Deferred tax assets		9,659	10,341
		<u>132,379</u>	<u>162,982</u>
Current assets			
Inventories		2,479	3,059
Trade and other receivables	<i>11</i>	173,939	201,530
Income tax recoverable		3,040	2,600
Pledged deposits		1,635,000	615,000
Bank balances and cash		123,449	154,440
		<u>1,937,907</u>	<u>976,629</u>
Current liabilities			
Trade and other payables	<i>12</i>	35,901	27,381
Interest-bearing borrowings	<i>13</i>	1,679,000	720,000
Lease liabilities		728	877
		<u>1,715,629</u>	<u>748,258</u>
Net current assets		<u>222,278</u>	<u>228,371</u>
Total assets less current liabilities		<u>354,657</u>	<u>391,353</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2025

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities		1,249	1,405
Deferred tax liabilities		2,007	1,671
		<u>3,256</u>	<u>3,076</u>
NET ASSETS		<u>351,401</u>	<u>388,277</u>
Capital and reserves			
Share capital	<i>14</i>	1,892	1,892
Reserves		343,136	370,982
		<u>345,028</u>	<u>372,874</u>
Equity attributable to equity holders of the Company		345,028	372,874
Non-controlling interests		6,373	15,403
		<u>6,373</u>	<u>15,403</u>
TOTAL EQUITY		<u>351,401</u>	<u>388,277</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE INFORMATION

Sino Gas Holdings Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 26 March 2018 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered address and the principal place of business of the Company is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Room 3103, Block A1, Caifu Shiji Square, 13 Haiian Road, Tianhe District, Guangzhou, the People’s Republic of China (the “**PRC**”), respectively.

The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on 28 December 2018. The immediate parent of the Company is China Full Limited which is incorporated in Hong Kong. In the opinion of the directors, the ultimate controlling party of the Company is Mr. Ji Guang.

The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in retail and wholesale of liquefied petroleum gas (“**LPG**”), compressed natural gas (“**CNG**”) and liquefied natural gas (“**LNG**”) in the PRC.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable IFRS Accounting Standards (“**IFRSs**”), IAS Standards and IFRIC Interpretations issued by the International Accounting Standards Board (the “**IASB**”), the disclosure requirements of the Companies Ordinance (Cap. 622) (the “**CO**”) and the applicable disclosure requirements under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”).

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following revised IFRS Accounting Standards that are relevant to the Group and effective from the current year.

Adoption of revised IFRS Accounting Standard

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except that the Group has applied, for the first time, the following revised IFRS Accounting Standard that is relevant to the Group:

Amendments to IAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for financial assets measured at fair value through profit or loss (“**FVPL**”), which are measured at fair value as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from equity holders of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation, are measured initially either at fair value or at the present ownership instrument’s proportionate share in the recognised amounts of the acquiree’s identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRS Accounting Standards.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

Impairment of property, plant and equipment and right-of-use assets

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

Loss allowance for expected credit losses (“ECL”)

The Group’s management estimates the loss allowance for trade receivables, based on the credit risk characteristics of customers and the likelihood of recovery assessed on a combination of collective and individual basis, by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group’s historical information, existing market conditions as well as forward looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables.

For other receivables, the Group’s management makes periodic individual assessment on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Impairment of investments and receivables

The Group assesses annually if interests in subsidiaries, an associate and a joint venture have suffered any impairment in accordance with IAS 36 and follows the guidance of IFRS 9 in determining whether amounts due from these entities are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.

Depreciation rate of the property, plant and equipment

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

Future changes in IFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, the IASB has issued the following new/revised IFRS Accounting Standards that are relevant to the Group and are not yet effective for the current year, which the Group has not early adopted.

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Annual Improvements to IFRS Accounting Standards	<i>Volume 11¹</i>
Amendments to IFRS 9 and HKFRS 7 IFRS 18 IFRS 19	<i>Contracts Referencing Nature-dependent Electricity¹ Presentation and Disclosure in Financial Statements² Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ The effective date to be determined

The directors of the Company are in the process of assessing the possible impact on the future adoption of the new/revised IFRS Accounting Standards, but are not yet in a position to reasonably estimate their impact on the Company's consolidated financial statements.

3. SEGMENT INFORMATION

The Group manages its reporting segments by different business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management and the Board of directors for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Retail: This segment principally generates revenue from the sale of CNG and LNG to vehicular end-users by operating gas refuelling stations and industrial customers.
- Wholesale: This segment principally generates revenue from the sale of LPG and CNG to gas merchants.

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

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the cost of sales incurred by those segments. The measure used for reporting segment result is gross profit. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other income and expenses, such as staff costs and other operating expenses, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure is presented.

Inter-segment sales are priced at cost plus profit margin.

(a) Segment results

Analysis of the Group's segmental information by business and geographical location during the year is set out below.

	Retail 2025 RMB'000	Wholesale 2025 RMB'000	Unallocated 2025 RMB'000	Inter-segment elimination 2025 RMB'000	Total 2025 RMB'000
Revenue recognised at a point in time before elimination	143,462	3,940,736	-	(1,892,570)	2,191,628
Inter-segment revenue	(7,912)	(1,884,658)	-	1,892,570	-
Revenue recognised at a point in time after elimination	<u>135,550</u>	<u>2,056,078</u>	<u>-</u>	<u>-</u>	<u>2,191,628</u>
Reportable segment gross profit after elimination	27,097	12,147	-	-	39,244
Other income	2,549	13,883	6,061	-	22,493
Depreciation on property, plant and equipment and right-of-use assets	(9,360)	(3,686)	(382)	-	(13,428)
Short-term lease charges	(986)	(461)	-	-	(1,447)
Finance costs	(481)	(13,414)	(13)	-	(13,908)
Provision for impairment loss on property, plant and equipment	(10,752)	-	-	-	(10,752)
Provision for impairment loss on interest in associate	-	-	(4,353)	-	(4,353)
Reversal of impairment loss on trade and other receivables	3,341	489	-	-	3,830
Written-off of property, plant and equipment	(2,462)	(1,974)	-	-	(4,436)
Share of result of associates	-	-	(88)	-	(88)
Share of result of a joint venture	-	-	(52)	-	(52)
Gain (loss) on disposal of property, plant and equipment, net	130	(1,112)	-	-	(982)
Gain on disposal of a subsidiary	-	597	-	-	597
Unallocated staff costs	-	-	(29,576)	-	(29,576)
Unallocated other operating expenses	-	-	(21,011)	-	(21,011)
Total consolidated loss before taxation					<u>(33,869)</u>

	Retail 2024 RMB'000	Wholesale 2024 RMB'000	Unallocated 2024 RMB'000	Inter-segment elimination 2024 RMB'000	Total 2024 RMB'000
Revenue recognised at a point in time before elimination	131,240	3,323,831	–	(1,820,958)	1,634,113
Inter-segment revenue	<u>(4,791)</u>	<u>(1,816,167)</u>	<u>–</u>	<u>1,820,958</u>	<u>–</u>
Revenue recognised at a point in time after elimination	<u>126,449</u>	<u>1,507,664</u>	<u>–</u>	<u>–</u>	<u>1,634,113</u>
Reportable segment gross profit after elimination	40,080	13,090	–	–	53,170
Other income	4,644	12,821	931	–	18,396
Depreciation on property, plant and equipment and right-of-use assets	(6,928)	(4,303)	(364)	–	(11,595)
Short-term lease charges	(399)	(224)	–	–	(623)
Finance costs	(626)	(10,304)	(26)	–	(10,956)
Provision for impairment loss on property, plant and equipment	(164)	–	–	–	(164)
Provision for impairment loss on trade and other receivables	(1,415)	–	–	–	(1,415)
Share of result of an associate	–	–	(1)	–	(1)
Share of result of a joint venture	–	–	(1,718)	–	(1,718)
Loss on disposal of property, plant and equipment, net	(8,605)	–	–	–	(8,605)
Unallocated staff costs	–	–	(29,954)	–	(29,954)
Unallocated other operating expenses	–	–	(22,616)	–	<u>(22,616)</u>
Total consolidated loss before taxation					<u>(16,081)</u>

(b) Geographic information

The Group's revenue is substantially generated from the sales of LPG, CNG and LNG in the PRC. The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided for the years ended 31 December 2025 and 2024.

(c) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Wholesale Customer A	<u>974,262</u>	<u>811,835</u>

4. REVENUE

	2025		
	Retail	Wholesale	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within IFRS 15			
— LPG	–	1,986,897	1,986,897
— CNG	76,123	59,215	135,338
— LNG	59,427	–	59,427
— Others	–	9,966	9,966
	<u>135,550</u>	<u>2,056,078</u>	<u>2,191,628</u>
		2024	
	Retail	Wholesale	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within IFRS 15			
— LPG	–	1,445,692	1,445,692
— CNG	111,368	47,849	159,217
— LNG	15,081	–	15,081
— Others	–	14,123	14,123
	<u>126,449</u>	<u>1,507,664</u>	<u>1,634,113</u>

5. OTHER INCOME

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest revenue calculated using the effective interest method	17,872	13,789
Lease income under operating leases	3,163	4,670
Net fair value gain (loss) of financial assets measured at FVPL	353	(1,065)
Government grants (<i>Note</i>)	741	142
Exchange gain (loss), net	67	(1,025)
Sundry income	894	1,885
	<u>23,090</u>	<u>18,396</u>

Note: The government grants represented the incentive subsidies received from various PRC government authorities. There are no conditions or future obligations attached to these grants.

6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on bank loans	13,733	10,765
Interest on lease liabilities	175	191
	<u>13,908</u>	<u>10,956</u>

7. LOSS BEFORE TAXATION

This is stated after charging (crediting):

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other items		
Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	26,536	26,858
Contribution to defined contribution retirement schemes	2,995	3,054
Termination benefits	45	42
	<u>29,576</u>	<u>29,954</u>
Cost of goods sold	2,148,869	1,569,220
Auditor's remuneration	1,155	1,155
Depreciation		
— Property, plant and equipment	10,821	9,141
— Right-of-use assets	2,607	2,454
Provision for impairment loss on property, plant and equipment	(10,752)	(164)
Provision for impairment loss on interest in associate	(4,353)	—
Reversal of (provision for) impairment loss on trade and other receivables	3,830	(1,415)
Written-off of property, plant and equipment	(4,436)	—
Loss on disposal of property, plant and equipment, net	982	8,605
Gain on disposal of a subsidiary	(597)	—
Exchange (gain) loss, net	(67)	1,025

8. TAXATION

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Current year	488	1,219
Over provision in prior year	–	(19)
	<u>488</u>	<u>1,200</u>
Deferred taxation		
Origination and reversal of temporary difference	1,018	503
	<u>1,506</u>	<u>1,703</u>

- (a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Company and the Group’s BVI subsidiaries are not subject to income tax in those jurisdictions for the years ended 31 December 2025 and 2024.
- (b) The Company and the subsidiaries of the Group incorporated in Hong Kong are subject to Hong Kong Profits Tax at the rate of 16.5% (2024: 16.5%). Hong Kong Profits Tax has not been provided as the Group had no assessable profits for the years ended 31 December 2025 and 2024.
- (c) The statutory PRC Corporate Income Tax (“CIT”) for the PRC subsidiaries are 25% (2024: 25%).

In addition, certain PRC subsidiaries of the Group meet the following three conditions and are classified as small low-profit enterprises. These conditions are: (i) annual taxable amount of not more than RMB3,000,000; (ii) number of employees of not more than 300; and (iii) total assets of not exceeding RMB50,000,000.

Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Further Implementing Preferential Tax Policies for Small Low-profit Enterprises [No.12, 2023] jointly issued by the Ministry of Finance and the State Taxation Administration, the portion of assessable profits which does not exceed RMB3,000,000 shall be subject to CIT at 20% tax rate after reduction of 75% of the assessable profits (2024: the portion of assessable profits which does not exceed RMB1,000,000 shall be subject to CIT at 20% tax rate after reduction of 87.5% of the assessable profits; and the portion of assessable profits exceeded RMB1,000,000 but not exceeding RMB3,000,000 shall be subject to CIT at 20% tax rate after reduction of 75% of assessable profits).

- (d) Dividends receivable by non-PRC resident corporate investors from PRC-residents are subject to withholding tax at 10%. The Group’s Hong Kong subsidiaries are subject to PRC dividend withholding tax on dividends receivable from their PRC subsidiaries, an associate and a joint venture.

9. LOSS PER SHARE

The calculation of the basic loss per share for the year is based on the loss attributable to the ordinary equity shareholders of the Company of approximately RMB26,058,000 (2024: approximately RMB12,363,000) and the weighted average number of 216,000,000 (2024: 216,000,000) shares in issue during the year.

The Company has no dilutive potential ordinary shares in issue during the current and prior years and, therefore, the diluted loss per share is the same as basic loss per share for the years presented.

10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

11. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Trade receivables			
From third parties	<i>11(a)</i>	83,401	112,301
From a joint venture	<i>11(b)</i>	33,391	49,587
		116,792	161,888
Less: Loss allowance		(484)	(3,825)
	<i>11(c)</i>	116,308	158,063
Other receivables			
Prepayments for purchase of inventories		37,380	19,984
Loan to a third party		–	4,152
Deposits and other receivables		27,845	27,414
		65,225	51,550
Less: Loss allowance		(7,594)	(8,083)
		57,631	43,467
		173,939	201,530

At 31 December 2025, no trade and other receivables that are expected to be recovered after more than 12 months (2024: Nil).

- 11(a) The amounts due are unsecured, interest-free and with credit period of 30 to 90 days.
- 11(b) The amounts due are unsecured, interest-free and repayable on demand.
- 11(c) The ageing analysis of trade receivables by invoice date and net of loss allowance is summarised as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 month	44,349	68,928
1 to 3 months	42,560	33,080
3 to 6 months	11,957	18,446
6 to 12 months	8,535	25,437
Over 12 months	8,907	12,172
	<u>116,308</u>	<u>158,063</u>

The balances are trade receivables from contracts with customers within IFRS 15 for both years. As at 31 December 2025, impairment loss of approximately RMB484,000 (2024: approximately RMB3,825,000) is recognised for trade receivables from contracts with customers within IFRS 15.

12. TRADE AND OTHER PAYABLES

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables			
To third parties	<i>12(a)</i>	<u>11,513</u>	<u>7,326</u>
Contract liabilities		<u>11,456</u>	<u>6,688</u>
Other payables			
Accrued charges and other payables		10,708	11,177
Employee benefits payables		1,997	2,109
Other tax payables		<u>227</u>	<u>81</u>
		<u>12,932</u>	<u>13,367</u>
		<u>35,901</u>	<u>27,381</u>

12(a) The trade payables to third parties are unsecured, interest-free and with credit period of 30 to 90 days.

The ageing analysis of trade payables by invoice date is summarised as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	10,143	6,895
1 to 3 months	229	221
3 to 6 months	244	–
Over 6 months	<u>897</u>	<u>210</u>
	<u>11,513</u>	<u>7,326</u>

13. INTEREST-BEARING BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans		
Secured	<u>1,679,000</u>	<u>720,000</u>

The Group's secured bank loans are pledged by following assets:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Pledged deposits	<u>1,635,000</u>	<u>615,000</u>

Some banking facilities are subject to the fulfillment of covenants relating to certain financial ratios as are commonly found in lending arrangements with financial institutions. If the Group breached the covenants, the drawn down facilities would become repayable on demand.

The Group regularly monitors its compliance with these covenants and the scheduled repayments of the term loans and does not consider it probable that the relevant banks will exercise their discretion to demand for repayment so long as the Group continues to meet these requirements. Throughout the reporting period, none of the covenants relating to drawn down facilities had been breached (2024: Nil).

The weighted average effective interest rate on the interest-bearing borrowings is 1.15% (2024: 1.78%) per annum.

In addition to pledged deposits, secured bank loans are guaranteed by corporate guarantees given by subsidiaries and personal guarantee given by the ultimate controlling party, bear interest at a fixed rate of 0.61% to 2.15% (2024: 0.75% to 1.13%) and mature within 1 year (2024: 1 year).

All the interest-bearing borrowings are denominated RMB.

14. SHARE CAPITAL

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	<u>2,000,000,000</u>	<u>20,000</u>	<u>2,000,000,000</u>	<u>20,000</u>
	Number of shares	RMB'000	Number of shares	RMB'000
Issued and fully paid:				
At beginning of the year and at the end of the reporting period	<u>216,000,000</u>	<u>1,892</u>	<u>216,000,000</u>	<u>1,892</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

The year 2025 (the “**Year**”) marks the conclusion of China’s 14th Five-Year Plan and serves as a preparatory period bridging into the 15th Five-Year Plan. During the year, the Gross Domestic Product (GDP) reached RMB140,187.9 billion, ascending to a new threshold in terms of total volume with a year-on-year growth of 5.0%. The macroeconomic environment laid the foundation for the development of the energy industry.

In 2025, China’s liquefied petroleum gas (“**LPG**”) industry witnessed an operational landscape characterized by growth in both supply and demand, with supply outpacing demand. The total domestic LPG supply for the year amounted to approximately 79.49 million tonnes, representing a year-on-year increase of 3.60%; total consumption reached approximately 77.44 million tonnes, representing a year-on-year increase of 2.78%. Influenced by key factors such as declining crude oil costs and a relatively loose market supply-demand balance during 2025, the LPG price center shifted downward under pressure. Sino-US tariffs and geopolitical tensions exacerbated short-term market volatility. In terms of the demand structure, the industry exhibited divergent trends: the growth rate of deep processed demand in the chemical sector moderated, and industry profitability continued to face pressure. However, overall demand from the chemical sector continued to grow. Although residential combustion demand showed a slow downward trend, underpinned by essential livelihood needs, differences in regional pipeline network coverage, and its role in ensuring emergency supply, fundamental demand remained stable and provided periodic price support during seasonal consumption peaks. In response to the momentum of industry developments, the Group fully leveraged its integrated advantages in terminal facilities, warehousing, logistics distribution, and sales end-user networks. We continuously broadened and stabilized our gas sourcing channels, and optimized our end-user sales and distribution strategies. The Group achieved LPG sales of approximately 449,390 tonnes throughout the year, representing a year-on-year increase of 43.6%; with sales revenue amounted to approximately RMB1.987 billion, representing a year-on-year increase of 37.4%. By delving deeply into the demands of core customer groups, the Company effectively hedged against the impacts of structural adjustments in industry demand, further consolidating its competitive edge in the LPG market.

In 2025, the actual domestic natural gas consumption reached 432.5 billion cubic metres, a year-on-year increase of 2.9%, while total supply was approximately 434.6 billion cubic metres, a year-on-year increase of 1.2%, presenting a pattern of “supply marginally exceeding demand”. The dependency on foreign imports decreased, enhancing the capacity for energy self-sufficiency and security. Throughout the year, natural gas consumption maintained a momentum of growth, primarily driven by industrial fuel substitution and power generation demand. Residential essential demand underpinned

stable foundational needs. Conversely, vehicular natural gas usage contracted under pressure from the impact of new energy vehicles, straining terminal operations. Domestic natural gas production grew steadily, reaching 262.06 billion cubic metres for the whole year, representing a year-on-year increase of 6.3%. This marked the ninth consecutive year with production increases exceeding 10 billion cubic metres. Conventional gas, shale gas, and coal-based gas contributed synergistically, with China's three major oil and gas companies (“**Three Barrels of Oil**”) remaining the core of supply. On the import front, a divergent trend emerged with “growth in pipeline gas, decline in LNG”, with overall import volume decreasing by 2.8% year-on-year. Influenced by factors such as tariffs and spot prices, the gas source structure continued to optimize. Price pass-through mechanisms for natural gas were implemented in more cities, effectively alleviating the problem of poor price transmission between upstream and downstream segments. Industry development became more standardized, with integrated energy services emerging as a new growth area.

BUSINESS REVIEW

The Group is an integrated LPG and natural gas supplier in the PRC with a complete industry chain that engages in the sales of LPG and natural gas in Guangdong Province, Henan Province and Hebei Province and the operation of vehicular refuelling stations (車用加氣站) and domestic stations (民用站) in Guangdong Province and Henan Province with over 20 years of proven track records in the industry.

(1) LPG Business

LPG could be commonly used as fuel sources for cooking or heating appliances. As at 31 December 2025, the Group owned an LPG terminal with storage facilities and 4 LPG domestic stations through Jiangmen Xinjiang Gas Company Limited (江門市新江煤氣有限公司) (“**Jiangmen Xinjiang Gas**”, a jointly-controlled entity) in Jiangmen, Guangdong Province. During the Year, we added and operated a LPG domestic station in Jiangmen, Guangdong Province.

The Group possesses a comprehensive business model in our LPG business. Our upstream procurement of LPG consists of large scale LPG domestic gas suppliers with their own terminal and storage which mainly import LPG from overseas, and domestic petrochemical refineries. With the delivery of our intermediary logistics (including vehicles or gas carrier ships designated for LPG use), the Group is able to provide LPG to our customers including LPG domestic stations and wholesale customers, and our customers mainly consist of wholesale customers.

For the year ended 31 December 2025, the Group has recorded the LPG sales revenue of approximately RMB1,986.9 million, representing an increase of approximately RMB541.2 million as compared to approximately RMB1,445.7 million in 2024. The increase in revenue was mainly due to the increase in sales volume during the Year.

(2) CNG Business

Compressed natural gas (“CNG”) is widely used in short-distance vehicles such as local buses and private vehicles. As at 31 December 2025, we had 7 CNG vehicular refuelling stations, 1 liquefied-to-compressed natural gas (the “L-CNG”) vehicular refuelling station and 3 CNG mother stations in Henan Province. During the Year, we ceased the operation of 5 CNG vehicular refuelling stations in Zhengzhou, Henan Province.

The CNG business model is well supported by our upstream suppliers primarily consisting of PetroChina Company Limited (“PetroChina”), which utilises the West to East Gas Transmission Tunnel (西氣東輸管道) to supply to our CNG mother stations, with our own logistics fleet being the major logistic system for distribution to the location of our CNG vehicular refuelling stations and the locations of our customers while some of our wholesale customers may also arrange for their own logistics arrangement. Our downstream portfolio consists of CNG vehicular refuelling stations and our customers consist of a variety of retail and wholesale customers.

For the year ended 31 December 2025, the Group has recorded the CNG sales revenue of approximately RMB135.3 million, representing a decrease of approximately RMB23.9 million as compared to approximately RMB159.2 million in 2024. The decrease in revenue was mainly due to decrease in sales volume and unit selling price of CNG during the Year.

(3) LNG Business

The liquefied natural gas (the “LNG”) refuelling market in China is still at a developmental stage due to its relatively high cost to process, liquefy and store compared to CNG. With the support of China government policies, the development and promotion of LNG has developed rapidly, especially with the rising demand for LNG in the industrial and power generation industries, which has laid a solid foundation for the growth of LNG. As at 31 December 2025, we had 1 LNG vehicular refuelling station and 1 L-CNG vehicular refuelling station in Henan Province. During the Year, we added and operated a LNG vehicular refuelling station in Zhengzhou, Henan Province.

For our LNG business model, the Group possesses strong upstream procurement suppliers formed by large-scale LNG terminal companies. As vehicles containing special cryogenic storage facilities and tanks for LNG use are required for transportation of LNG, the Group uses the third party logistics service providers to transport our LNG to our LNG vehicular refuelling stations and to our wholesale customers. Meanwhile, the downstream portfolio consists of the LNG vehicular refuelling stations and our customers consist of retail and wholesale customers.

For the year ended 31 December 2025, the Group has recorded the LNG sales revenue of approximately RMB59.4 million, representing an increase of approximately RMB44.3 million as compared to approximately RMB15.1 million in 2024. The increase in revenue was mainly due to the increase in the sales volume of LNG during the Year.

(4) Overall Business

For the year ended 31 December 2025, the Group has recorded revenue of approximately RMB2,191.6 million, representing an increase of approximately RMB557.5 million as compared to approximately RMB1,634.1 million in 2024. The increase in revenue was mainly due to the increase in sales volume of LPG and LNG during the Year.

As at 31 December 2025, we operated a total of 16 gas refuelling stations and 3 petroleum refuelling stations, four of which are jointly-controlled gas refuelling stations in Jiangmen, Guangdong Province.

As at 31 December 2025, the number of our gas refuelling stations and petroleum refuelling stations in operation are set out below:

	As at 31 December 2025	As at 31 December 2024
Gas refuelling stations		
LPG station	4	3
CNG station	7⁽¹⁾	12
LNG station	1⁽⁵⁾	0
L-CNG station	1	1
CNG mother station	3	3
	<hr/>	<hr/>
Total number of gas refuelling stations	16	19
	<hr/> <hr/>	<hr/> <hr/>
Petroleum refuelling stations		
Petroleum refuelling stations	3	3
	<hr/>	<hr/>
Total	19	22
	<hr/> <hr/>	<hr/> <hr/>

Meanwhile, as at 31 December 2025, the breakdown of our gas refuelling stations and petroleum refuelling stations in operation by cities and provinces are set out below:

City, Province	LPG refuelling stations	CNG refuelling stations	LNG refuelling stations	L-CNG refuelling stations	Petroleum refuelling stations	Total number of stations
Jiangmen, Guangdong Province	4 ⁽²⁾	0	0	0	0	4
Total number of stations in Guangdong Provinces	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Zhengzhou, Henan Province	0	4	1 ⁽⁵⁾	0	1	6
Zhumadian, Henan Province	0	3 ⁽³⁾	0	0	2	5
Xinzheng, Henan Province	0	3 ⁽⁴⁾	0	1	0	4
Total number of stations in Henan Province	<u>0</u>	<u>10</u>	<u>1</u>	<u>1</u>	<u>3⁽⁶⁾</u>	<u>15</u>
Total	<u><u>4</u></u>	<u><u>10</u></u>	<u><u>1</u></u>	<u><u>1</u></u>	<u><u>3</u></u>	<u><u>19</u></u>

Notes:

1. During the Year, we ceased the operation of five CNG refuelling stations in Zhengzhou, Henan Province.
2. These four civil refuelling stations are possessed by Jiangmen Xinjiang Gas, a jointly-controlled entity of the Group. One of the civil refuelling station was added within the Year.
3. It comprises one CNG mother station in Zhumadian City, Henan Province.
4. It comprises two CNG mother stations in Xinzheng City, Henan Province.
5. During the Year, we added one LNG refuelling station in Zhengzhou, Henan Province.
6. One of the petroleum refuelling stations is operated by an independent third party.

The revenue by product mix for the years ended 31 December 2025 and 2024 are summarised below:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Sales volume (Note)	Revenue (RMB'000)	Percentage of revenue (%)	Sales volume (Note)	Revenue (RMB'000)	Percentage of revenue (%)
Retail						
LPG	–	–	0.0%	–	–	0.0%
CNG	20.3	76,123	3.5%	28.4	111,368	6.8%
LNG	14,379	59,427	2.7%	3,043	15,081	0.9%
Sub-total		135,550	6.2%		126,449	7.7%
Wholesale						
LPG	449,390	1,986,897	90.7%	312,965	1,445,692	88.5%
CNG	23.4	59,215	2.7%	17.9	47,849	2.9%
LNG	–	–	0.0%	–	–	0.0%
Others		9,966	0.4%		14,123	0.9%
Sub-total		2,056,078	93.8%		1,507,664	92.3%
Total		2,191,628	100.0%		1,634,113	100.0%

Note: Sales volume for LPG and LNG are measured in tonnes and sales volume for CNG is measured in million cubic metres.

OUTLOOK AND PROSPECTS

Looking forward to 2026 and beyond, the LPG industry is poised to progressively establish a new market equilibrium amidst the ongoing optimization and adjustment of its supply and demand structure, steering sector development towards greater rationality and stability. Natural gas, as a clean, efficient, and flexibly adaptable low-carbon energy source, carries the important mission of advancing China's "dual carbon" goals and the nation's energy structure transformation and its future market holds vast development space and ample growth potential.

Although the LPG industry faces pressures from energy substitution, the fundamental logic underpinning its role in meeting essential residential needs remains unchanged. In 2026, the implementation of the new national standard for LPG and the rollout of new Anti-monopoly Guidelines for the Public Utilities Sector will propel the industry towards more standardized development. Enterprises that operate in compliance and possess advantages in terminal services are poised to capture greater market opportunities. Terminal operations, refined services, and comprehensive supply chain safety

management will become the core of industry competition. The Group will enhance resource optimization and quality control management, flexibly deploy logistics resources, and rigorously control gas quality across all stages to ensure stable supply to end-users. We will delve deeper into existing regional markets, promote the standardization of terminal operations, and improve distribution and service efficiency. By fortifying our comprehensive safety management system across the entire chain, refining emergency supply contingency plans, and strengthening user-end safety inspections and education, we aim to create a livelihood service brand and consolidate our competitive market advantages.

The year 2026 represents a significant transitional period for the natural gas industry. With the accelerated construction and commissioning of LNG liquefaction capacity in regions such as the United States and Qatar, the global natural gas supply is trending towards a more ample state. Reports from the International Energy Agency (IEA) indicate that while demand growth may moderate in 2025, supply growth is projected to pick up noticeably in 2026, potentially alleviating market tightness. This global supply surplus situation also presents cost dividends for the industry. Concurrently, domestic policy support provides strong momentum for sector development, and the low-carbon transition has opened up an entirely new development track. In the short term, the industry still faces challenges such as price volatility and intensified competition. However, in the long term, natural gas, as a clean and low-carbon fossil fuel, plays an irreplaceable role as a “bridge fuel” in the energy transition. It is projected to maintain an average annual growth rate of 3-5% between 2026 and 2030, playing a crucial role in achieving the “dual carbon” goals and ensuring energy security. The Chinese market will usher in a significant development window in the inaugural year of the 15th Five-Year Plan. The natural gas price center is expected to trend downwards, delivering substantive cost benefits to downstream users and city-gas enterprises, while industry consumption growth is expected to rebound.

In 2026, the Group will continue to optimize its existing terminals within the natural gas business segment. We will conduct a comprehensive assessment of low-efficiency vehicle refueling stations, implementing closures or integrations where necessary. We will actively explore transformation pathways for existing sites to enhance terminal operational quality. The Group will refine its industrial chain layout, strengthen upstream and downstream collaborative synergies, and optimize intermediate links such as natural gas storage, transportation, and distribution. Simultaneously, we will deepen cooperation with upstream gas suppliers and downstream end-users to build an integrated industrial chain system, effectively reducing operational costs and supply chain risks while enhancing the overall operational efficiency of the chain. We will broaden gas sourcing channels, focus on core customer needs, precisely explore market potential, and achieve steady growth in sales volume. Concurrently, in line with national energy policy directions and industry technology trends, we will make greater efforts in our presence in clean energy and green and low-carbon fields, promoting the deep integration of business development with Environmental, Social, and Governance (ESG) principles to achieve high-quality development.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group has recorded revenue of approximately RMB2,191.6 million, representing an increase of approximately RMB557.5 million as compared to approximately RMB1,634.1 million in 2024. The increase in revenue was mainly attributable to the increase in sales volume of LPG and LNG during the Year.

Revenue from contracts with customers within the scope of IFRS 15	2025 RMB'000	2024 RMB'000
LPG	1,986,897	1,445,692
CNG	135,338	159,217
LNG	59,427	15,081
Others	9,966	14,123
	<u>2,191,628</u>	<u>1,634,113</u>

Cost of Sales and Gross Profit

The Group's cost of sales primarily consisted of all costs of procuring LPG, CNG and LNG from the Group's suppliers and logistic services providers for transporting gases. The Group's cost of sales increased by approximately RMB571.5 million from approximately RMB1,580.9 million in 2024 to approximately RMB2,152.4 million in 2025, which was mainly due to the increase in purchase volume of LPG and LNG during the Year.

For the year ended 31 December 2025, the gross profit of the Group was approximately RMB39.2 million, representing a decrease of approximately RMB14.0 million as compared to approximately RMB53.2 million in 2024. The decrease in gross profit was due to the decrease in sales volume of retail CNG for vehicles with higher gross profit margin.

Other Income

For the year ended 31 December 2025, the Group's other income amounted to approximately RMB23.1 million, representing an increase of approximately RMB4.7 million as compared to approximately RMB18.4 million in the corresponding period in 2024. This was mainly due to the increase in interest income during the Year.

Staff Costs

For the year ended 31 December 2025, the Group's staff costs were approximately RMB29.6 million, representing a decrease of approximately RMB0.4 million as compared to approximately RMB30.0 million in 2024. This was mainly due to the cessation of operation of the Group's CNG stations during the Year, which led to a reduction in the number of employees.

Depreciation

For the year ended 31 December 2025, the depreciation of the Group was approximately RMB13.4 million, representing an increase of approximately RMB1.8 million as compared to approximately RMB11.6 million in 2024, this was mainly attributable to an increase in the depreciation on property, plant and equipment and right-of-use assets in the Year.

Short-term Lease Charges

For the year ended 31 December 2025, the short-term lease charges of the Group was approximately RMB1.4 million, representing an increase of approximately RMB0.8 million in the short-term lease charges of the Group as compared to approximately RMB0.6 million in 2024. This was mainly due to the increase in short-term leased operating sites during the Year.

Other Operating Expenses

For the year ended 31 December 2025, the Group's other operating expenses were approximately RMB22.0 million, representing a decrease of approximately RMB9.2 million as compared to approximately RMB31.2 million in 2024. This was mainly attributable to the loss of disposal of property, plant and equipment in the Year.

Finance Costs

For the year ended 31 December 2025, the Group's finance costs were approximately RMB13.9 million, representing an increase of approximately RMB2.9 million as compared to approximately RMB11.0 million in 2024. This was mainly due to the rise in interest-bearing borrowings during the Year.

Loss Before Taxation

For the year ended 31 December 2025, the Group's loss before taxation was approximately RMB33.9 million, representing an increase of approximately RMB17.8 million as compared to the loss before taxation of approximately RMB16.1 million in 2024.

Income Tax Expenses

For the year ended 31 December 2025, the Group's income tax expenses was approximately RMB1.5 million, representing a decrease of approximately RMB0.2 million as compared to approximately RMB1.7 million in 2024.

Loss for the Year

On the basis of the aforementioned reasons, for the year ended 31 December 2025, the Group achieved a loss for the year of approximately RMB35.4 million, representing an increase of approximately RMB17.6 million as compared to the loss for the year of approximately RMB17.8 million in 2024.

FINANCIAL POSITION

Liquidity, Financial Resources and Capital Structure

For the year ended 31 December 2025, the financial position of the Group remained stable. The total value of assets was approximately RMB2,070.3 million, representing an increase of approximately RMB930.7 million as compared to the total value of assets of approximately RMB1,139.6 million in 2024. The Group's cash was mainly held for working capital, gas facilities and transport equipment needs.

As at 31 December 2025, the Group had approximately RMB123.4 million in cash and bank balances.

Capital Expenditure

The capital expenditure of the Group was mainly related to the payments for purchase of property, plant and equipment amounted to approximately RMB3.1 million for the year ended 31 December 2025.

Interest-bearing Borrowings

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Secured bank loans and other borrowings	<u>1,679,000</u>	<u>720,000</u>

Gearing Ratio

The gearing ratio (calculated on the basis of the Group's total liabilities over total assets) was approximately 83.0% as at 31 December 2025 (31 December 2024: approximately 65.9%). The increase in gearing ratio was mainly attributable to the increase in interest-bearing borrowings.

Final Dividend

The Board has resolved not to declare the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 363 employees (2024: 429), including 95 employees (2024: 89) of our joint venture, Jiangmen Xinjiang Gas. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employees. The remuneration payable to its employees includes salaries and allowances. The Group attaches importance to the creation and devotion of employees, acknowledges the important position of talent resource in the development of business operation and is committed to develop and maintain good relationship with employees. The Group regularly organizes safety and skills training for its employees, and encourages its employees to attend industry-related seminars organized by professional institutions, in order to enhance the safety and technical capability of employees and promote their career growth and development.

USE OF PROCEEDS FROM THE LISTING

After deduction of all related listing expenses and commissions, the net proceeds from the listing of shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on 28 December 2018 (the "**Listing**") amounted to approximately HK\$120.3 million. Details of the proposed use of such net proceeds are disclosed in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company for the Listing and subsequently revised in the announcement issued by the Company dated 27 February 2020. As at 31 December 2025, the Group had utilized approximately HK\$70.9 million, representing approximately 58.9% of the net proceeds from the Listing as follows:

Intended use of proceeds	Original	Revised	Utilised	Utilisation	Remaining	Expected timeline for full utilisation of the remaining proceeds ⁽⁴⁾
	allocation	allocation	amount	as at	balance	
	2020 ⁽³⁾	as at	during	31 December	as at	
	2020 ⁽³⁾	27 February	the Year	2025	31 December	
	2025	2025	2025	2025	2025	
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
To acquire operating rights of an LPG domestic station ⁽¹⁾	20.5	20.5	0	0	20.5	By the end of 2026 ⁽¹⁾
To strengthen our LPG logistics and storage capacity by constructing storage facilities ⁽²⁾	21.7	21.7	0	0	21.7	By the end of 2026 ⁽²⁾
To complete construction, purchase land, equipment and machineries and installation for the new CNG mother station	27.7	14.5	–	14.5	0	N/A
To construct new refuelling stations, purchase and install their requisite equipment and machineries and perform maintenance of our existing refuelling stations	24.0	16.1	–	16.1	0	N/A
To increase our logistics capacity by purchasing additional vehicle fleets	14.4	14.4	0	7.2	7.2	By the end of 2026 ⁽⁶⁾
To finance the acquisition ⁽³⁾	–	21.1	–	21.1	0	N/A
General working capital	12.0	12.0	–	12.0	0	N/A
Total	<u>120.3</u>	<u>120.3</u>	<u>0</u>	<u>70.9</u>	<u>49.4⁽⁵⁾</u>	

Notes:

1. As the economic situation remains uncertain at present, the Group has not identified appropriate acquisition targets to date. The Group will assess suitable acquisition targets by adopting a prudent strategy, and anticipates utilizing the proceeds by the end of 2026.
2. The Group expects to use the proceeds for the construction of storage facilities by the end of 2026.
3. The Group acquired 50% of the equity interests of Henan Blue Sky Sino Gas Technology Company Limited and fully utilised the redistributed net proceeds at the end of March 2020. For details, please refer to the announcement of the Company dated 27 February 2020.

4. The expected timeline for full utilisation of the remaining proceeds is made based on the best estimation of the Group taking into account, among others, the prevailing and future market conditions and business developments and need, and therefore is subject to change.
5. As at 31 December 2025, the Group expected that, except for those described in the notes above, there will be no change in the planned use and timing of the use of proceeds from the Listing, and the unutilized net proceeds will be deposited into interest-bearing bank accounts.
6. The Group has not yet used up the proceeds and anticipates utilizing the proceeds by the end of 2026.

FOREIGN EXCHANGE EXPOSURE

As all of our operations are located in the PRC, all of the revenue from customers of the Group are derived from activities in the PRC.

The reporting currency of the Group is RMB. The Group has currency risk exposures arising from business operations and financial instruments that are denominated in a foreign currency, and such risk is primarily Hong Kong Dollar. In order to limit this foreign currency risk exposure, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rate or entering into appropriate forward contracts when necessary.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position for the year ended 31 December 2025. Our finance department is responsible for treasury management functions, which include, amongst others, researching and sourcing investment options for further consideration by the general manager, financial controller and the Board, and monitoring the investments on a continuous basis.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, the Group held unlisted equity securities of approximately RMB24.7 million, which was a supplemental means to improve utilisation of our cash on hand.

For the year ended 31 December 2025, apart from the plans mentioned in section “Use of Proceeds from the Listing”, the Group had no definite future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

For the year ended 31 December 2025, the Group had no material acquisitions and disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 31 December 2025, we did not have any material contingent liabilities, guarantees or any litigation or claims of material importance, pending or threatened against any member of our Group or the Company.

PLEDGE OF ASSETS

As at 31 December 2025, RMB1,635,000,000 (2024: RMB615,000,000) of pledged deposits was pledged as securities for the Group's bank loans.

TAX RELIEF AND EXEMPTION

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

PRINCIPAL RISKS AND RISK CONTROL MECHANISM

The Group has implemented various policies and procedures to ensure effective risk management at each aspect of our operations, including administration of daily operations, financial reporting and recording, treasury management, compliance with applicable laws and regulations on environmental protection, and operation safety. The Board oversees and manages the overall risks associated with our operations. We have established the audit committee of the Company (the “**Audit Committee**”) to review and supervise the financial reporting process and internal control system of the Group. The management team of the Company is committed to ensuring that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner while the effectiveness of our risk management framework will be evaluated at least once a year, and periodic management meetings are held to update the progress of risk monitoring efforts by the Audit Committee and the Board. The Group monitors material risks and improves ability against risks by building standard norms and effective risk control mechanism.

Principal Risks

For the year ended 31 December 2025, the following principal risks of the Group were identified and classified as follows:

- The business of the Group is subject to the development of the PRC government policies and any future unfavourable policies may materially and adversely affect our business development and performance. We cannot predict future changes in laws and regulations or government policies, which may vary and are beyond the control of the Group;
- The Group is dependent on our major suppliers and any instability in or shortages of supply of LPG and LNG from our major suppliers could significantly and adversely affect our business;
- PetroChina is our ultimate major supplier for CNG in Henan Province and any instability or shortages of supply of natural gas to us from PetroChina could significantly and adversely affect our business;
- The gross profit margin and growth in profit may fluctuate in the future as our purchase price and selling price of our gas products (including LPG, CNG and LNG) are sensitive to factors beyond our control;
- Competition from alternative vehicle fuels is being intensified, particularly with technological advancement of and increasing governmental support for electric vehicles, which may reduce the demand for our gas refuelling business;
- The Group is exposed to credit risk of our customers. If the credit worthiness of our customers deteriorates or if a significant number of our customers fails to settle their trade and bill receivables in full for any reason, we may incur impairment losses and our results of operations and financial position could be materially and adversely affected; and
- The occurrence of force majeure such as the slowdown in macro-economy and geopolitical conflicts (e.g., the US-Iran conflict, etc.) may affect the operation and performance of the Company through fluctuations in energy prices and disruptions in the supply chain.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Friday, 26 June 2026 (“**2026 AGM**”). Notice of the 2026 AGM and all other relevant documents will be published and despatched to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Friday, 26 June 2026. The register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 June 2026 for registration.

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied the principles set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Board believes that good corporate governance standards are essential in maintaining a balanced composition of executive Directors and independent non-executive Directors (the "**INEDs**") for the Board to exercise independent judgment effectively and providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Board is of the view that the Company has complied with the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules during the year ended 31 December 2025.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has devised its own code of conduct regarding Directors' dealings in the Company's securities (the "**Securities Dealing Code**") on terms no less exacting than the Model Code as set out in Appendix C3 to the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Securities Dealing Code throughout the year ended 31 December 2025. The Company has also adopted the Securities Dealing Code as the written guidelines (the "**Employees Written Guidelines**") for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

REVIEW OF CONSOLIDATED ANNUAL RESULTS BY THE AUDIT COMMITTEE

Pursuant to the requirements of the CG Code and the Listing Rules, the Company has established the Audit Committee comprising of three INEDs, namely Mr. Chan Kai Wing (Chairman), Mr. Wang Zhonghua and Mr. Sheng Yuhong. The Audit Committee has reviewed with the management the accounting principles and practice adopted by the Group and the consolidated financial statements of the Group for the year ended 31 December 2025. There were no disagreements from the Audit Committee or the external auditors on the accounting policies adopted by the Company.

SCOPE OF WORK OF FORVIS MAZARS

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the announcement have been agreed by the Company's auditor, Forvis Mazars CPA Limited ("**Forvis Mazars**"), Certified Public Accountants, to the amounts set out in the Company's audited consolidated financial statements for the Year. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Forvis Mazars on the announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed percentage of public float under the Listing Rules.

SIGNIFICANT EVENT AFTER REPORTING PERIOD

The Group's subsidiary, Zhengzhou Sino Gas Bus Fuel Company Limited (鄭州中油潔能巴士燃氣有限公司) (“**Zhengzhou Sino Gas**”), and Zhengzhou Public Transport Group Company Limited (鄭州市公共交通集團有限公司) (“**Zhengzhou Public Transportation**”) entered into a renewed 2026 CNG Supply Agreement on 13 March 2026 in relation to the supply of CNG between the Group and Zhengzhou Public Transportation in order to continue with the transactions under the then existing arrangement after its then expiry on 13 March 2026, for a further term commencing from 14 March 2026 to 13 March 2027. As Zhengzhou Public Transportation is a substantial shareholder of Zhengzhou Sino Gas, a subsidiary of the Company, Zhengzhou Public Transportation is considered a connected person of the Company at the subsidiary level. Therefore, the transactions contemplated under the 2026 CNG Supply Agreement would constitute continuing connected transactions at the subsidiary level under Chapter 14A of the Listing Rules. The Directors (including the independent non-executive Directors) are of the view that the 2026 CNG Supply Agreement was entered into in the ordinary and usual course of business of the Group, on normal commercial terms and on pricing terms no less favourable to the Company than those provided to independent third parties, and the terms and the annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. For further details, please refer to the announcement of the Company dated 13 March 2026.

There has been no other significant event that affected the Group after 31 December 2025 and up to the date of this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinogasholdings.com). The 2025 annual report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company who have elected to receive printed form and made available on the respective website of the Stock Exchange and the Company in due course.

By order of the Board
Sino Gas Holdings Group Limited
Mr. Ji Guang
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Ji Guang (*Chairman*)

Ms. Ji Ling (*Vice-Chairman and Chief Executive Officer*)

Mr. Zhou Feng

Independent non-executive Directors:

Mr. Sheng Yuhong

Mr. Wang Zhonghua

Mr. Chan Kai Wing